

JPRS-NEA-89-067  
19 OCTOBER 1989



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***JPRS Report—***

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**Near East &  
South Asia**

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# Near East & South Asia

JPRS-NEA-89-067

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19 OCTOBER 1989

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## REGIONAL AFFAIRS

### GCC Views New Iranian Government

44000672 *Dubayy ARAB NEWS*  
*in English 5 Sep 89 p 3*

[Text] Jeddah, Sept. 4—The assistant GCC [Gulf Corporation Council] secretary-general for political affairs has stated that the six-member council was following up the recent changes in the Iranian leadership with great importance.

"The ongoing political changes in Tehran will have positive impact on the relations between GCC and Iran," Sayf Bin-Hashil al-Maskari told AL-MADINAH.

The Gulf Cooperation Council groups Saudi Arabia, Kuwait, Oman, Qatar, Bahrain and the United Arab Emirates. The Kingdom cut relations with Tehran following the 1987 Iranian rioting in Makkah which claimed over 400 lives.

Maskari hoped that the new Iranian government of President Hashemi Rafsanjani would be based on good neighborliness, Islamic brotherhood, non-interference in others' internal affairs and mutual respect and understanding.

He stressed the need for boosting regional and international efforts to put an end to the no-war no-peace situation in the Arab Gulf region. He said the Gulf states are very much concerned about this situation.

Maskari called upon Iran and Iraq to fully implement the U.N. Security Council Resolution 598 which brought a cease-fire in the eight-year old interneccine war.

He said the GCC had spared no efforts to stop the conflict between the two Muslim states since the establishment of the council. "The Gulf war posed the biggest threat to the GCC states," he added.

### Official for Economic Affairs in GCC Interviewed

44000637 *Jeddah ARAB NEWS in English*  
*16 Aug 89 p 3*

[Text] London, 4 August—Dr 'Abdallah al-Quwayz, assistant GCC [Gulf Corporation Council] secretary-general for economic affairs, has stated that the Gulf Cooperation Council made remarkable progress in achieving economic integration among its member states. He hinted at the possibility of establishing a large stock market in the region in the light of growing stock business in some member states.

In a wide-ranging interview with AL-SHARQ AL-AW-SAT, a sister publication of ARAB NEWS. Dr Quwayz said GCC member states were responsible to a great extent for deadlock in the GCC-EEC trade negotiations. He called for activating Arab stock markets to help attract the investments of Arab nationals abroad and increase investment opportunities inside.

Quwayz noted that the equal treatment of GCC citizens in economic activities, preference to GCC products, application of the same specifications for goods in all member states and exemption of GCC citizens from customs duties as some of the major achievements. However, he pointed out that most of the citizens have not made use of these facilities.

The council, comprising Saudi Arabia, Kuwait, Qatar, the United Arab Emirates, Oman and Bahrain, has established many joint projects in both the public and private sectors. GCC states have succeeded in imposing almost equal charges on and prices for petrol, electricity, telephone, etc. He hoped that the movement of citizens in the member states would be facilitated following the cease-fire in Iran-Iraq war.

On introducing a unified tariff on GCC imports, he said the administrative system in the UAE [United Arab Emirates] was still did not settle this issue. [sentence as published] "Custom tariffs in this country come under the responsibility of various emirates, not that of the federal government," he noted. Moreover, the UAE, which greatly depends on re-exports as a revenue source, believes that the integrated tariff system would limit this sprawling business.

Quwayz does not see any reason for unifying GCC currencies and exchange rates as there are now no restrictions on transferring money from one GCC country to the other. "The exchange rate difference among GCC currencies is meagre and limited," he pointed out. However, discussions on unifying currencies are under way in the council's bid to boost economic integration.

He said the relations between GCC states and West European countries are excellent. Official negotiations between the two groups to reach a cooperation agreement started as early as 1984. "Practically we signed an agreement last year and we are now negotiating trade issues, particularly about GCC petrochemical exports to EEC. But there are differences of opinions among the EEC negotiators themselves," he explained.

However, Quwayz noted that the council was also responsible for the stalemate in the GCC-EEC negotiations as many member states delayed endorsing the accord reached by the two groups.

He said GCC encouraged stock markets in the member states and pointed out that a report prepared by an international export shows that the GCC states have the requirements to set up such markets. "Stock markets have been established in Oman, Bahrain and Kuwait while in Saudi Arabia stock exchange business is done through banks," he said.

The decision allowing GCC citizens to subscribe to shares in member states as well as setting up joint firms would lead to the establishment of a large stock market in the future. He said the GCC governments must issue regulations for setting up stock markets and ensure their

continuation and development. They should also inject faith in investors on the future of their funds.

He said no separate talks between GCC and other Arab groups like the Arab Cooperation Council and Arab Maghreb Union will be conducted as all these organizations, according to the communique issued by the Arab summit in Casablanca, come under the Arab League. "Any talks outside the league will be a violation of the communique," he noted.

Asked about the plan to transform the Arab Monetary Fund into an investment fund, Quwayz said a five-point plan has been introduced. They are:

1. participation in financing Arab trade with a capital of \$500 million,
2. studying economic problems through the institute of economic policies,
3. transforming the fund into an investment machinery,
4. development of Arab stock markets, and
5. developing of lending policies.

#### **GCC Assistant Secretary General for Political Affairs Interviewed**

*90OL0023b London AL-MAJALLAH  
in Arabic 19 Sep 89 pp 26-27*

[Interview With Sayf Ibn-Hashil al-Maskari, GCC Assistant Secretary General for Political Affairs in Riyadh by Matar al-Ahmadi: "Sayf Ibn-Hashil al-Maskari, GCC Assistant Secretary for Political Affairs: GCC Countries Played Role in Ending Gulf War and They Should Bring Negotiations to Conclusion"; first paragraph is AL-MAJALLAH introduction; date not given]

[Text] Sayf Ibn-Hashil al-Maskari, the GCC [Gulf Corporation Council] assistant secretary general for political affairs, talked to AL-MAJALLAH in the wake of the final statement issued by the Foreign Ministers Council's meeting. The interview focused on the area's situation in the wake of current developments, led by the formation of the Iranian cabinet and the possibility of the resumption of the Iraqi-Iranian negotiations after a long interruption. Following is the text of the interview with al-Maskari:

[AL-MAJALLAH] The 32nd session of the GCC Foreign Ministers Council is the first session in the second year since the Iraq-Iran war was ended. What are the most important issues on which the session focused?

[Maskari] The final statement of the Foreign Ministers Council's 32nd session focused on 3 points: The Lebanese problem, the Tripartite Committee's report, the freeze in the region's situation despite the passage of more than one year on the two parties' acceptance of the ceasefire, and the outcome of the ministerial committee's work in the recent

period. Because the Lebanese problem and the region's situation are the topic of the hour, I wish to focus on them now. Insofar as the Lebanese problem is concerned, the council reviewed the Tripartite Committee's report and expressed its appreciation for the role the committee has performed. The report was presented with utter objectivity. This is a first-time experience in the Arab world. The issue was tackled and the report was drafted in a very objective, impartial, and clear manner. The report was also announced to the public in a clear manner that has left no opportunity for interpretation or comment. Consequently, nobody will be able to blame the committee or to accuse it of dereliction. This clarity has also steered the committee clear off the one-upmanship in which all parties engage.

#### **Full Conviction**

[AL-MAJALLAH] Do you think that this is the ideal solution for the Lebanese problem?

[Maskari] To date, all are convinced that it is the best solution because it is clear. It has defined the problem, formulated the solution, and determined the cure with utter objectivity and without flattering any party.

[AL-MAJALLAH] What about the present no peace, no war situation in the region?

[Maskari] We can characterize the Iraqi-Iranian negotiations in the past phase as a standstill. The GCC countries which played a role in the issuance of Security Council resolution 598 also shoulder the responsibility of following up on its implementation. In the past, there were causes which impeded progress in the negotiations. They are causes connected with Iran's domestic situation—a vague situation—throughout a period of nearly 6 months. Now that the new Iranian Government has been declared, we feel optimistic, especially since there is a new institution, called the State Institution, to deal with international parties. We hope that this will lead to breaking the freeze and resuming negotiations. It is not in Iraq's or Iran's interest to maintain the status quo. It is feared that the continued state of no war, no peace, will affect, even if only psychologically, the process of rebuilding, reconstruction, and economic development in the two countries. As I have already said, the GCC countries should perform their responsibility in following up on the negotiations and bringing about a lasting treaty.

[AL-MAJALLAH] Has the council contacted Iraq and Iran on this issue?

[Maskari] Yes, contacts have been made with the two sides, but bilaterally.

[AL-MAJALLAH] Why haven't there been concerted contacts?

[Maskari] As I have already pointed out, because of the domestic situation in Iran there was no specific and obvious circle to contact, especially after Khomeini's death. The period from the time of his death until formation of the new Iranian Government was a labor period. During this period, most contacts, whether by

the UN secretary general, the European countries, or the permanent Security Council members were suspended. Because of the Iranian domestic situation, these parties could not move even if they found convincing reasons to do so.

#### Tehran's Government

[AL-MAJALLAH] Some news sources have said that the new Iranian Government includes a large number of moderates. Do you think that this will contribute to reviving the negotiations?

[Maskari] It is true that we view issues through official statements. We wish that the statements would be followed by practical steps, which is the more important thing, to achieve two objectives: first, develop Iran's relations with the GCC states, Iran's neighbors, and, second, revive the situation and the negotiations, especially since a real human issue, namely the prisoners' issue, is involved. It is unreasonable and unacceptable that the prisoners' fate remain unknown even though more than one year has passed since the cease-fire. If an initiative is taken by the two parties to the conflict to solve this humanitarian issue, then this step will constitute a good step for creating the beginning of trust.

[AL-MAJALLAH] You have said that the GCC states played a role in the issuance of Security Council resolution 598. How was this done?

[Maskari] The role was not direct, meaning that they were not the parties which drafted the formula. They played their role by familiarizing and stirring the world and putting it face to face with reality. It then became obvious to all that the world's interest, and that of many countries, lay in ending the war. The GCC states contacted their friends, such as the UN Security Council and General Assembly, and the UN secretary general at various levels to produce this resolution. At present, the GCC asserts that the main role in the negotiations continues to belong to the UN secretary general and Security Council which issued the resolution. All the GCC states, especially the Supreme Council which includes the leaders of all the GCC states, support the secretary general's role. They emphasized this support in their ninth summit which convened last year.

#### War Is Unlikely

[AL-MAJALLAH] Has the UN secretary general asked the GCC to perform this role?

[Maskari] The secretary general is in constant consultation with the GCC states, either independently or collectively. But as I have already said, there was no chance to move under the shadow of Iran's past domestic situation.

[AL-MAJALLAH] Isn't the no peace, no war phase dangerous? Will it lead to resumed fighting instead of resumed negotiations?

[Maskari] I don't believe that either party will turn to war as a political decision. This is totally unlikely. But I fear that an individual incident may act as the spark which will lead to resumed fighting.

[AL-MAJALLAH] Is the situation still sensitive?

[Maskari] Yes. But what is comforting is that the two parties to the conflict insist on peace at present as they insisted on war in the past. This gives us some sort of reassurance.

#### Deputy Prime Minister Invites Libya's Jallud To Visit Egypt

45000004 Cairo AL-AHRAR in Arabic 25 Sep 89 p 1

[Report by Mahmud Khalil]

[Text] Deputy Prime Minister Dr Yusuf Wali has sent an invitation to 'Abd-al-Salam Jallud, member of the Libyan Revolution Command Council, to visit Egypt before the end of this year.

Dr 'Ali Ibrahim and 'Umran 'Ashur, members of the Libyan 'Amahiriyyah's People's Committee, received the invitation during their meeting with Dr Wali during their visit to Cairo last week.

#### Sudanese NIF Leader Reportedly Visits Cairo Unannounced

45000005 Cairo AL-AHALI in Arabic 27 Sep 89 p 1

[Text] Yas 'Umar al-Imam, a distinguished leader of the National Islamic Front [NIF] in Sudan, made an unannounced visit to Cairo last week. During the visit, he met with certain officials and with several Wafd Party leaders. Yas al-Imam commands the Revolutionary Guard, which is the armed wing of the NIF supported by the ruling military council. [Sentence as published]

#### Petrodollars Used in Aluminum Industry

44000648 Doha GULF TIMES  
in English 12 Aug 89 p 12

[Article by Jean-Pierre Perrin]

[Text] Manama: Four Gulf states including Qatar are pumping their petrodollars into aluminium in a bid to diversify their oil-based economies and fill the vacuum left by dwindling production in the United States, Japan and Europe.

Qatar, Saudi Arabia, Bahrain and Dubayy are building gigantic foundries that will be among the world's biggest.

Alumina, the raw material used to make aluminium, is imported mainly from Australia. But the Gulf states are banking on their oil to make the projects economically viable, as aluminium foundries need cheap energy and plenty of it.

Electricity produced from natural gas will power the Gulf foundries, which local industrialists say will keep their products competitive as demand rises.

Although world aluminium production is rising, totalling about 14mn tonnes a year, excluding communist countries, demand is mounting and seems set to keep increasing, say Gulf industrialists.

"All the studies reach the same conclusion," said one industry analyst here. "Demand for aluminium will increase steadily in the next few years."

The Gulf states are seizing the opportunity to lessen their dependence on oil, virtually their only industry.

Thanks to cheap energy, the cost of producing a tonne of aluminium—estimated at \$1,600 to 1,700 on the international market—averages only \$1,100 to 1,200 in the Gulf.

As the Gulf states move into aluminium, however, other less cost-effective producers are likely to be pushed aside, although Gulf industrialists remain cautious about the profits they will reap.

"It's not a gold mine. Profits won't be fabulous and prices are not sure. True, the price of aluminium did reach \$4,500 a tonne a few years back, but then it fell to only 700, although it has since risen to about \$2,000," one industrialist said.

But bankers say the risk is worth taking, although they warn that some states such as Bahrain have gone heavily into debt to build factories, which could leave them vulnerable to price fluctuations.

"The quantities of aluminium produced are such that a fall of \$100 a tonne will jeopardise the profitability of the projects," a banker warned.

Aluminium Bahrain (Alba), which already has the Gulf's biggest foundry, now aims to overtake the capacity of the biggest Western producers. It intends to boost its current capacity from 180,000 tonnes a year to 225,000 tonnes over the next few years, and then to double its capacity to produce some 460,000 tonnes a year by 1992.

The expansion of Alba, already the Gulf's biggest non-oil company, will cost \$1.3bn, the company said.

The Government has boosted its stake in Alba to 74.9 percent, while Saudi Arabia holds 20 percent and the Breton Investment Group based in West Germany owns 5.1 percent.

The French state-owned firm Pechiney, the world's third biggest aluminium producer, will supply the technology needed.

Dubayy Aluminium (Dubal) plans to boost its output by 40 percent. Alba's main local rival, Dubal is owned by Dubayy's ruling family. Saudi Arabia is also planning to start building a huge foundry in the Red Sea port of Yanbu next year.

The plant, which will cost more than \$700mn to build, will produce some 214,000 tonnes of aluminium a year, said Fawwaz Avalaam, president of the Saudi Cable Company, which is leading the project.

Bechtel of the United States is acting as consultant for the Saudi project, dubbed Alusa, while Pechiney is supplying the technology and also investing in the foundry, which should give the French company a say in its daily running. British Aerospace is also putting up some money.

In Qatar, however, a project to build a foundry producing 180,000 tonnes of aluminium a year in association with British, U.S., West German, Chinese and Indian firms is reported suspended a year.

### Statistics Show Increase in Abu Dhabi's Trade With Iraq

**44000666 Dubayy GULF NEWS**  
*in English 26 Aug 89 p 9*

[Text] ABU DHABI—Abu Dhabi's transit trade with Iraq has shown a significant rise in the first half of this year compared to the figures for the corresponding period last year, indicating an upturn in the construction activity following the Iraq-Iran ceasefire.

The volume of transit trade that was only Dh3 million during the period January to June last year has risen to Dh12 million this year, according to statistics from the customs department.

Qatar continues to top the list with transit trade figures of Dh665.9 million, with Muscat and Saudi Arabia following with Dh54.4 million and Dh44.2 million respectively.

The aggregate volume of trade has shown a marginal drop from Dh1,100 million to Dh902 million, during this period.

### PALESTINIAN AFFAIRS

#### Soviet Leader Explains Policy on Palestinians

**44000006 Nicosia FILASTIN AL-THAWRAH**  
*in Arabic 9 Sep 89 pp 34-35*

[Text] [Editorial Report] FILASTIN AL-THAWRAH, the central Fatah organ of the PLO, reports on pages 34-35 of its 9 September issue that journalist Wajih Jabr conducted an interview in Moscow with Russian Republic Foreign Minister Vladimir Vinogradov. The foreign minister explained that the greatest support the Soviet Union could offer to the Palestinian uprising is convening an international conference. He further stated that Israel should leave parts of Palestine, Lebanon, and Syria. Concerning the intifadah, Vinogradov said: "It is a move of the masses enjoying the support and sympathy of the Soviet Union." He added that the formation of a preparatory committee for convening an international

conference is currently underway. Regarding Israeli Foreign Minister Moshe Arens' meeting with Soviet Foreign Minister Eduard Schevardnadze, Vinogradov said efforts were made to convince Israel of the need for an international conference. He added: "We want to convince everyone that there is no way out of the current situation except through an international conference. The stage of practical application will come after that. We are studying the form or framework of the conference and ways of implementing it." Concerning current discussions with Arab states, the foreign minister emphasized the central role the international conference plays in their discussions. Responding to a question on discussions between the Soviet Union and the United States concerning the Middle East, he said there are ongoing meetings to discuss the idea of an international conference, but Washington was hesitant owing to Israel's opposition. He commented that the international conference would not be limited to the Israeli-Palestinian conflict, but would encompass the Arab-Israeli conflict in a broader sense including Syria, Lebanon, and others and that the problem of Jerusalem would be solved at the conference. Concerning the PLO's role, Vinogradov said it pursues a "skillful and flexible policy that enjoys the understanding of many countries." He concludes by saying peace is important to the Palestinians and to the Israeli people and Israeli leaders must understand this.

#### Bus Attack Leads to Reconsideration of Palestinian 'War'

44230163b Tel Aviv HADASHOT  
in Hebrew 11 Jul 89 p 5

[Article by Haguy Segel: "Don't Hang the Soldier That Forced the Bus Off the Road"]

[Text] I have a small request of the military prosecutor: Don't ask the court to hang the arch demon that caused the bus to plummet into the wadi. Don't surrender to the feelings of the masses and to the demands of the politicians. Let them chatter for a few more days, to vent their accumulated frustrations, to quiet their pangs of conscience. They will calm down on their own by the end of the shiv'a [seven days of mourning]. It's always like that, after the burned buses stop smoking and the orphans return to school.

Anyway, we won't have the strength to put the rope around his neck. Either Herzog will sign a pardon for him, as in the case of Kozo Okamoto, or the Islamic Jihad will threaten us with the liquidation of the hostages, or we simply won't be able to find a local hangman. We are, after all, merciful ones and sons of merciful ones. It wouldn't be appropriate for us to liquidate in cold blood unarmed creatures. Our weapons will remain pure until the last bus. We'll even let Ivan the Terrible die at a ripe old age.

And it is also forbidden to give him a life sentence. It is forbidden to put him on trial at all. The master killer from Line 405 is—in all seriousness—a prisoner of war.

There is no criminal affair here with a "terrorist," as say the denunciations and the wishes of their formulators. This is an unfortunate affair with an enemy soldier. The courts, military and civilian, cannot try him. Prisoners of war are either shot on the battlefield, without a defense attorney and all that, or they are held in a camp until the end of the war. The laws of the state that captures them are not morally binding on them. The state's judicial arm is intended to deal with local criminals, with tourists who transgressed, with mutineers, not with enemies.

The fact that this Belial did not use a firearm, and did not wear a combat helmet when he carried out his mission, does not make him less of a soldier than the polished Legionnaires of His Majesty on the other side of the river, or more of a murderer than the Syrian troops in Beirut. The happy faces in Ramallah and Beirut, following the good news from Telshe-Stone, testify to the military framework to which the vampire belonged—the army of Palestine.

This is a veteran army with a rich combat experience of 60 to 70 years. It has an anthem ('Biladi, Biladi'), a colorful flag, a motto ('Allah Akhbar'), a chief of staff, and severe discipline. It enjoys a broad civilian hinterland and a general mobilization of volunteers of all ages. Serving in it are lecturers from Bir Zeit and greengrocers from the Carmel shuk. Their sole operational order is to kill as many Jews as possible.

The pleasant Israeli delusion that we have here no army and no war, but only terrorist activity of an insignificant terrorist minority, was excusable before the intifada [uprising]. The time has now come for a cruel awakening. Rule of the jungle number one states that the waging of war does not depend upon the prior agreement of the two sides to go to war at the same time. The bad will of one of them is sufficient. The will of the Arabs, in our case.

Rule number two states that you cannot choose enemies that suit you. The famous Jewish conscience prefers, as is known, wars with armed males aged 18 to 45, but reality finds other enemies. Even a 13-year-old, holding a deadly slingshot, can be a dangerous enemy. Even an ordinary elderly person with a sharp spade and evil intentions. Sometimes, a beautiful girl who spills oil on the road so that Zionist travellers will skid on it and break their heads is an enemy.

There is a Palestinian people, and it has an army that is storming us wave after wave at the risk of their lives. On the roads and in the squares, on the sea and in the air. If we were not, thank God, a little better armed and able than it, it would have dug a mass grave for us a long time ago. For both rightists and leftists. The war, as can be discovered this week in the mourning notices, is over the whole jackpot. From the Jordan to the sea. The devil did not request identity books from the passengers before he pushed the steering wheel towards the abyss and imposed a strange death upon them. He did not first try to find out if, perchance, there were on the bus good souls from "There's a Limit" or noble ladies from

"Women in Black." For him, one law applied to the settler from Sha'arey Tikva and the volunteer from Giv'at Hayyim. God will avenge their blood.

So let's not start again with the useless argument over the death penalty. The problem is not the fate of the Palestinian soldier who jumped on the driver midway between Tel Aviv and Jerusalem, but when we will finally recognize the existence of a perpetual war between the people of Israel and the people of Ishmael.

And in war, as in war.

#### **'Popular Palestinian Army Party' Documents Appear in Ramla**

44230163a Tel Aviv HADASHOT  
in Hebrew 11 Jul 89 p 5

[Article by Mikhal Kedem: "Manifesto to Soldiers: 'Do You Like to Kill?'"]

[Text] Thousands of manifestos appealing to IDF [Israel Defense Forces] soldiers, members of the Border Police, and members of the Israel Police and signed by the "Popular Palestinian Army Party" were found yesterday on the old Ramla-Jerusalem highway.

The manifestos are written in broken Hebrew and are full of spelling errors. "Do you like to kill?" asks one manifesto, which calls on soldiers to refuse orders connected in any way with the intifadah [uprising]. "You are in need of your own internal intifadah with yourself," it says. The police speculate that an Arab travelling between Jerusalem and Tel Aviv scattered the manifestos.

In Rishon LeZiyon, the police are investigating the source of six hostile graffiti that were found last night on a residential building in the city. The graffiti, written in Hebrew and accompanied by swastikas, read, Death to the Jews. The police did not rule out the possibility that this was a provocation by Jews.

At the university dormitories in Be'er Sheva', large quantities of nationalist material were found in the rooms of Arab students. In a raid by the police, two of the students were arrested on suspicion of hostile agitation, and they will be taken to court today for the extension of their detainment.

Officers of the Regional Detective Branch of the Negev Police raided the dormitories two nights ago following receipt of intelligence information. Material found included, among other things, manifestos dealing with the establishment of a Palestinian state and signed by "Science Sons of the Village," 100 copies of the newspaper AL-RAYA, which has been banned, and copies of the Palestinian declaration of independence.

The chief of the public affairs department of the university, Yoram Horovitz, stated that no measures would be taken against the students until the affair is clarified.

#### **ALGERIA**

##### **Lack of Oversight of Agricultural Programs Criticized**

45190131c Algiers REVOLUTION AFRICAINE  
in French 11 Aug 89 pp 14-15

[Article by A. Tareb: "Credibility, First and Always"; first paragraph is editor's lead]

[Text] Although the principle that the land belongs to those who work it is not being challenged, it is often under attack these days. The inspection commissions set up in this area have gotten some results. For every case reported, however, how many are not or may never be? Switching to the "agriculture"—and also land speculation—profession is a highly popular sport these days.

It can never be repeated enough that the reorganization of national lands as now practiced is inadequate in many ways. Besides these already blatant deficiencies in the awarding of land grants, there is sometimes unbridled speculation in farm land.

Thus, despite regulations on land-grant criteria that were very clear, many lots have ended up in the hands of people who have nothing to do with agriculture or, through dubious practices, in the hands of people who became farmers for the occasion.

The intolerable nature of these shortcomings has, moreover, already prompted the head of the government himself and the APN [National People's Assembly] to react. Their reactions led to the formation of investigatory commissions. During certain sessions, deputies, who had reported many cases of land grant abuses, were to have participated in them. To date, however, although these inspection commissions have begun work and already presented some findings, not a single deputy to our knowledge was on one.

Perhaps in the end those same deputies preferred to fight on other fronts—or have current events required their attention elsewhere? Yet [here] as elsewhere, it is urgent that relations in the agricultural sector, recognized by all as strategic, be set right and that the state's authority be restored and the laws respected.

The watering down of responsibility in making land grants and the lack of a state regulatory agency to accomplish the task have made for confusion and opened the door to many abuses.

Today some argue in favor of making the wilaya inspection commissions permanent: they would empower them to perform the necessary verifications everywhere and under all circumstances and to bring cases of abuse before the proper courts. An unanswered question, however, is how independent these commissions can be and whether their authority can be extended to land, especially farm land.

In the APCs [People's Communal Assembly], for example, weren't contributions to the farmland land reserves just a little too easy to come by? Today it cannot be denied that there is something intolerable about unbridled speculation of our national lands.

Many APCs have thrown themselves into a strange race by opening up hundreds of hectares to speculation. No region seems spared this communicable disease. Might upcoming elections have something to do with it? Haven't APC presidents found anything better to do than start their electoral campaigns by abusing public lands?

Today many, including those in the most official of circles, are speaking up about this trend that bodes ill for the future. Many are also arguing in favor of creating the famous land organization mentioned earlier, which would be the instrument of a policy allowing us to control the fate of our lands.

The state must be able to invoke its right of eminent domain over our lands. Misuse of this right would inevitably set the stage for privatization and in some circles it is wondered whether the current trend and the abuses observed are not leading to the same outcome, although everyone denies it in his own case. Although we could go back very far, it was primarily in 1986 that the first harbingers of unchecked land speculation appeared.

The agrarian-revolution law, you recall, provided for a freeze and a ban on all land transactions. In 1986, as Mr Melouhi, director of rural development in the Ministry of Agriculture pointed out, land sales were authorized by decision of the Wali. From that date onward, Mr Melouhi emphasized, we would see many undocumented, and unauthenticated, transactions. These land transfers, as Mr Melouhi calls them, occurred without any way to stop them.

Today agricultural officials propose that a law regulating land transactions be adopted. The wave of illegal buildings, to mention only those, often constructed on agricultural land and even inside farms, is the consequence of long-standing anarchy in the agricultural sector and of the state's inability to satisfy the thousands of requests for housing. This question of land speculation and the regularization of illegal buildings puts state authority in an awkward position for two reasons. First, because local elected officials are engaged in wholesale speculation of our national lands without anyone, or almost anyone, reacting, and often with the complicity of certain hierarchies. Second, because the fact of having allowed builders to get away with illegal construction is an admission of the state's weakness. Allowing them to be regularized, and almost on the defrauders' terms, is another admission of weakness.

The question is whether it is in our interest today to see the state's authority evaporate. Should we, on the grounds of a fait accompli, allow anarchy to take over and mount only a flabby comeback that harms the credibility of the state?

Further, is it in our interest to allow wealth and big-time interests to occupy public lands that should naturally revert to the most disadvantaged? Today the situation has reached such a point of no return that we no longer have any choice.

Specifically, what has been done so far in the field in agriculture is grossly inadequate to stop the degradation. According to an interministerial circular, the task forces dispatched to the wilayas by agricultural officials show 34 wilayas, totaling more than 4,000 EAs [expansion unknown], being verified; it is chiefly in the EAIs that regulations were infringed. After the 1 July inspections of this year, the Ministry of Agriculture people found a total of 2,662 cases of forfeiture and relinquishment in the EAIs and EACs, out of a total of 165,606 cases. But once again, we are far from knowing the whole truth about all the cases and practices that gave rise to the many observed abuses. Or must we wait, as someone suggested, for people of other political bents to manage public affairs for certain matters to be fully disclosed? In fact, this question of land grants and speculation is a test, no more, no less, for the current authorities. Today the credibility of the state, a public power, needs to be restored, along with confidence in that state. Must we emphasize that a strong and credible state is the only recourse of the most disadvantaged in our country? It is the only guarantor of a certain social justice. Is now any time to sell cheaply, or allow to be sold, this authority, when the appetite for power of some is being whetted and the FLN's (National Liberation Front) enemies are growing restive? Land reorganization and the liberalization of land sales resulted in many excesses. This is especially serious and objectionable because it concerns the land that nourishes us, and seeing that land assaulted by all kinds of greed is painful, very painful. Today, many questions are up in the air. How are agricultural organizations preparing themselves to deal with the problems caused by the reforms? How can this reorganization be achieved given the paradox of an intact bureaucracy whose limitations are well known? How can we expect an operation supposed to introduce more vitality and concern for profitability to succeed when no real inventory is being done? Moreover, do we really understand the importance of our public lands? Are we prepared to go all the way in condemning occasional abuses? How can we motivate fellahs better, knowing that the same loan is now given to farmers growing watermelons and farmers growing wheat? Is this normal? All these questions are troubling agricultural people, the public, and also many officials. Allowing doubt to persist or prolonging situations that are inadmissible, to say the least, will surely cast doubt on the real intentions behind the agricultural reform.

#### Grain Production Rises to 1.4 Million Quintals

45190131a Algiers EL MOUDJAHID  
in French 16 Aug 89 p 3

[Text] This year's grain crop was outstanding. First, let's take a low estimate: the grain harvest from 170,000

hectares sown is roughly calculated to be at least 1.4 million quintals. That is double last year's [harvest]. Agricultural officials prefer not to break out the champagne. The minimum figure was advanced, with great satisfaction, by the Ministry of Agriculture.

Our agronomists are much more optimistic: the harvest will equal, or exceed, 2 million. Like the adage or song says: April showers.... The showers fell at just the right moment, neither too early nor too late. This harvest proves the wilaya's fertility. Fodder that was sold for 150 Algerian dinars a bale last year will certainly depress prices to the average of 50 AD a bale. The feed harvest tripled: it jumped from 300,000 quintals last year to 1.2 million this year.

"Our problem now is one of overabundance," say officials of the agriculture department. This seeming paradox actually betrays a lack of equipment: many machines are out of order or lack spare parts. Consequently, no effort is being spared. According to Mr Missoum, people are being resourceful. Parts are taken from reassembled machines, and other cooperatives such as the CA-SAP or the CCLS [Grains and Legumes Cooperative] are bringing their trucks. Everyone is working round the clock; the organizations concerned have weekly meetings. The harvest continued right into the middle of July. There will be a delay of 15 days. Bales litter the fields: there has been no time to remove them. Buyers from bordering or neighboring wilayas such as Djelfa, Laghouat, etc. are stocking up. The Grains and Legumes Cooperative (CCLS) led by Mr Hadj Pacha, a competent and dynamic man, is also loading up and sorting the seeds that the farmers will soon purchase. "We must act quickly to avoid importing from abroad," said Mr Missoum. The race against the clock is commensurate with the profits at stake.

#### **Former Minister Discusses Economic Policy Deficiencies**

45190131b Algiers *REVOLUTION AFRICAINE*  
in French 11 Aug 89 pp 11-13

[Interview with former minister Medelci by Farah Abdelali and M. Laras: "Relearning Commercial Sense"; first paragraph is editor's lead]

[Text] Tensions surrounding the availability of certain products, skyrocketing fruit and vegetable prices. Our marketing and distribution system is regularly run through the gauntlet by the media. The commercial sector, directly in touch with the consumer, necessarily grabs the attention. Yet when all is said and done, marketing is only the tip of the iceberg and beneath its flaws lie other, more significant deficiencies: rigid supply, inadequately developed production, and overly restrictive administrative regulation. Without a doubt, the way marketing is managed needs to be profoundly reorganized. The economic reforms under way aim to regulate the economy and the recent price law is an

important tool in achieving this. Mr Medelci explains his position on all these questions.

[**REVOLUTION AFRICAINE**] Reorganizing distribution networks is one of the essential components of current reforms on company autonomy. On what principles is this reorganization based and what are its goals?

[Medelci] Your question prompts me first of all to warn against the notion that a new centralized plan for reorganizing companies is on the administration's agenda.

It is henceforth up to companies to organize themselves and their relations in accordance with laws and regulations.

1. Underlying principle: All the mandatory stops along the way, from companies' first step in production to their last, have been eliminated; EPEs [Public Business Enterprises] purchase supplies and distribute their products based on what makes commercial sense.

2. Goal: To free companies from outside constraints and allow them to assume full and total responsibility for marketing decisions for, it must be stressed, the ultimate goal of making EPEs autonomous is above all to better satisfy needs expressed through the market.

Thus, model organizational charts and flow graph series imposed by the centralized distribution system must gradually give way to a new framework in which EPEs will reach agreements (to create subsidiaries or joint-interest groups) or contracts through consensus.

The marketing and distribution system will thus be reorganized through the efforts of production and commercial supply-and-distribution companies to find the networks that are best adapted to the nature of products and the specific needs expressed.

The center will ensure that the economic and social preferences of annual and multiannual plans are implemented through regulatory tools such as foreign commerce, prices, and taxation.

It will see to it that widely used household products and products considered of strategic importance to the economy are made available.

[**REVOLUTION AFRICAINE**] Besides the system of regulated prices, the new price law institutes a system of stated prices. As the economic commission of the APN [National People's Assembly] was quick to point out, doesn't this last system risk setting off an inflationary drift?

[Medelci] It is important to explain the different sources of inflation.

1. Cost-induced inflation: when costs rise faster than productivity and result in increases in market prices.

2. Inflation caused by currency issues: when these issues exceed the norms determined by the vitality of the economy and the rate of production growth.

**3. Inflation due to imbalances: important imbalances between supply and demand for one or more products.**

It must be admitted that these three types of inflation have existed in our country for the last several years; today we also have inflation linked to changes in the exchange rate of the dinar on the world market.

It is the aim of every economy to fight against inflationary measures, but these measures are often ones whose effectiveness depends on how consistent they are. Thus, it is necessary to implement simultaneously:

- monetary policy;
- tax policy;
- exchange policy;
- price and revenue policy.

This is the course adopted by the government to fight inflation: it would be futile to expect immediate results.

The true extent of the law's effect on prices shows up in two essential areas:

- the rechanneling of speculative income to productive ends;
- dynamic stability in the management of companies and, once again, assumption by them of their full market responsibilities.

This new law could result in a rise in certain official prices long held in check by administrative measures; however, inflationary tensions would essentially involve only products and services considered of secondary importance to the economy and citizens. For the most important products, the administration and company will negotiate a stable price level for the company (and, if necessary, a subsidy).

Actual market prices should not show any appreciable increase.

In fact, though the new price system frees companies from too tight administrative restrictions, it also and above all allows them to boost the quality and quantity of production in the long term.

At the same time, monetary inflation, caused by loans to in-the-red companies artificially propped up by banks, will be considerably lessened. Idle investment income will be dried up by the state's (and not speculators') use of prices as a regulatory device: maintaining the purchasing power of workers is still a central concern of the state.

[REVOLUTION AFRICAINE] Auditing bodies have been grossly negligent in curbing illicit practices and speculation which, today, are reaching alarming proportions. Can things still be set right in this area?

[Medelci] I will throw the question right back at you: can auditing be used chiefly to stop inflation when, on the average, 70 out of 100 people summoned and audited have broken the law? The rate of infractions is very high

and has been for several years. It signifies deep underlying causes that must be specifically treated, essentially by recycling income to productive goals and bringing about economic recovery through investment.

To return to the audit office and its performance, I think, as you do, that that body has internal problems:

- inadequate manpower and material resources;
- inadequate professional incentives for a task that is generally urgent.

Besides these problems, you have the problem of what place both central and local auditing bodies should really occupy: in this area we are trying to fight resignation in the face of a task judged overwhelming by some and futile by others.

The government has laid particular emphasis on unified action among the different agencies on both the local and central level.

The president of the Republic himself has intervened many times to issue directives needed to shore up the auditing system.

Concretely, and to return to the growth of speculation, an additional auditing body was created; it is a general inspectorship, placed under the Ministry of Commerce, to breathe new life into the fight against speculation. This inspectorship will be fully operational very shortly and will function in several regions.

Moreover, the government has decided to create a National Economic Auditing Commission. This commission, led by the Minister of the Interior and the Environment, brings together all the sectors and divisions concerned, which will have to pool their efforts to better manage speculation.

Recently the government conferred a status on price and quality auditors that will make possible a definite improvement in their situation and especially in the situation of those who have distinguished themselves in the field.

As you can see, we are more than ever determined to restore to auditing its proper auxiliary function in economic regulation.

Finally, consumer protection laws and the price law have for the first time given the center a complete arsenal against negative commercial practices.

[REVOLUTION AFRICAINE] Unpaid imports seem to be the cause of runaway inflation in the prices of certain products, resulting in a serious depreciation of the dinar. Doesn't the continuation of this practice leave the way open for unearned income, especially as many products imported in this way are earmarked for resale?

[Medelci] First, I must set something straight: "unpaid" imports in the private sector are not intended, in conformance with current laws and regulations, for resale without modification.

The law is very clear on this point, it does not authorize this kind of import except for production inputs (raw materials, semifinished products, equipment, spare parts) intended for already installed production machinery. Moreover, only manufacturers who own the machinery of production can import in this way.

Thus, even though certain foodstuffs were authorized for import under this formula, it was because they were components or ingredients to be used in agro-food industries, and, therefore, for productive ends and not consumption.

In reality, there were irregularities that were purely and simply illegal.

Moreover, this situation prompted the legislator (sic) to rethink the formula by reversing the conditions governing its implementation.

From now on, instead of a list of products authorized for "unpaid" import, the new regulations stipulate the products that cannot be imported under this formula.

This ban is aimed at precisely those products whose nature makes them easier targets for speculation, particularly food products.

The regulation limiting this type of import to equipment, spare parts, and raw materials only will thus be the interministerial (finances, trade) decree.

It should be pointed out, however, that the sum total of "unpaid" imports recorded for 1987 and 1988 was 583 million Algerian dinars and 462 million Algerian dinars respectively; that amounts to less than 1 percent of the country's total annual imports.

Most of these sums were spent on imports of equipment.

[REVOLUTION AFRICAIN] As the bitter experience of Ramadan month showed, the fruit and vegetable market is now plainly dominated by a few middlemen who manipulate price changes to suit themselves through speculation. Here and there we see wholesale markets being set up: how will this initiative result in better regulation of the wholesale market?

[Medelci] I do not believe in simplistic arguments; fruit and vegetable prices are due to a number of factors that involve many factors:

- the producer;
- the wholesaler;
- the retailer;
- the many expenses related to production (purchase of productive inputs and marketing).

These factors derive chiefly from:

- low output despite progress made;
- inflexible formulas for financing agricultural seasons;
- lack of organized regulatory infrastructures (wholesale markets);
- inadequate distribution networks (retail markets);
- the growth of speculative income skimmed off at different levels, encouraged by inadequate satisfaction of solvent demand;
- reprehensible speculative practices consisting of hoarding to maximize income;
- inadequate performance of the auditing system at different levels of authority.

Wholesale markets, you mentioned, are cropping up here and there; this type of market will not be stabilized until 1990 for the whole system being established.

But a wholesale market is only as good as its organization, and it was to describe this organization that the commercial sector, in conjunction with other sectors, drafted several additional texts in implementing dispositions of the 1 March, 1988 decree on the fruit and vegetable wholesale market. Those texts include:

- the 11 December, 1988 interministerial (MC-MIE) decree establishing a model status for wholesale markets;
- the 11 December, 1988 interministerial (MC-MIE) decree regulating the service model for wholesale markets;
- the 19 July, 1989 decree setting the conditions for participation in wholesale markets and establishing the status of fruit and vegetable agent-traders (formerly, buyers-deliverers);
- the interministerial decree setting rents for squares and entrance fees to the wholesale market;
- the 30 November, 1988 interministerial decree establishing standards for fruits and vegetables.

The entire regulatory works will be completed by measures to reform campaign decrees. More recently, the government endorsed several decisions concerning prices and margins:

- the decree setting the margin-ceilings for wholesale distribution of fruits and vegetables;
- the decree establishing the consumer price-ceilings of basic vegetables (potatoes, garlic, onions, tomatoes);
- the decree on the upper limit of margins in retail fruit and vegetable distribution;
- the interministerial decree setting production prices and incentive bonuses for production of tomatoes for canneries.

In conclusion, the entire chain of fruit-and-vegetable production needs to be dealt with.

An additional link was added to this producer-distributor chain in the form of the consumer, who reacted during Ramadan and who remains, through the associations organized, a new but important partner. He is recognized as a partner by the commercial sector,

which consults him on all important issues, especially involving fruits and vegetables.

In any case, the rules of the game have now been clarified and open management practices are required at every level of this sensitive sector, too often grasped solely through prices, which as everyone knows are a result and not a cause.

[REVOLUTION AFRICAINE] Information that certain large retail outlets will be closed has caused some anxiety. What exactly is the situation?

[Medelci] I'm glad you said certain large retail outlets! In fact, [it is a] minority of stores or branches that look like their deficits are structural and for whom new activities are being studied on a case-by-case basis.

This program has several aims:

1. to consolidate the companies (EDG [expansion unknown] and markets) concerned and, through them, the formula, which we recognize has a clientele in our society even though it has been the target of some well-earned criticism;

2. to preserve jobs threatened by the structural financial imbalance of these outlets;

3. to strengthen recognized useful market niches in which new activities must be sought based on production support (an example: the creation of outlets specialized in the distribution of agricultural production inputs).

Today this would affect 200 outlets or branches (large retail outlets currently number over a thousand). 80 of which have already been converted to another use.

An important detail: this step is being handled by the companies themselves.

Moreover, the EDG and market companies have formed a joint interest group to encourage ties that could improve their operation. As for the center, it favors any step to improve the financial health of the large retail-outlet network, whose first companies will soon become autonomous.

## BAHRAIN

### Korean Trade Office in Manama Closed

44000670 Doha GULF TIMES  
in English 27 Aug 89 p 11

[Excerpt] The Manama office of Kotra, the Korean Trade Promotion Corporation—Korean Trade Centre [KTC]—is to wind up its operations next month, according to Yung-burm Choi, the centre's director.

Mr Choi, who is in Doha to say goodbye to friends, businessmen and government officials in Qatar, said the functions of the centre would now be handled by the Dubayy office of Kotra.

KTC looked after the South Korean commercial interests in Bahrain and Qatar and acted as liaison between merchants in South Korea and the two countries since 1976. Mr Choi took charge in 1987.

Mr Choi said the KTC had played a significant part in bolstering two-way trade. In 1983, for instance, Korea's total exports to Qatar amounted to \$5mn, and imports to \$88mn. At the end of 1988, Korean exports to Qatar totalled \$16.8mn—an increase of 236%, while imports dwindled to \$47.7mn.

Electrical and electronic items, vehicles and spares, textiles and garments and tyre and tubes formed the bulk of the Korean exports to Qatar, while Korea imported mainly oil, ammonia and petrochemical products from Qatar.

Mr Choi said there was a good potential for further growth. Many Korean companies were interested in opening offices and manufacturing facilities in this region, because of the rising labour cost and surging won (Korean currency) in Korea. The situation in this region, particularly in Qatar, is becoming more interesting because of the planned measures to open up and expand the economy.

He said: "Qatar is taking a key role in import and export business with Korea—which is expected to rise in coming years for further development and prosperity of our friendly nations".

Mr Choi has advised people doing business with Korea to direct their inquiries now to Korea Trade Centre, Dubayy (PO Box 12859).

Yesterday, Mr Choi met the director-general of Qatar Chamber of Commerce, Kamal 'Ali Salih, and the head of exhibition section at the Ministry of Economy and Commerce, 'Abdallah Ibrahim.

Mr Choi said he had recommended to Seoul to hold a Korea products exhibition in Qatar.

### Measures To Develop Island's Economy Listed

44000638 London MEED in English 16 Jun 89 p 8

[First paragraph was boxed in area in article.]

[Text] "It is possible to make Bahrain a focal point in the region for industries with high production and advanced technology"

The Gulf private sector is ready to meet the economic challenges of the 1990s, argues Falcon Publishing of Bahrain's chairman 'Abd-al-Nabi al-Shu. What is needed is a well-defined strategy for co-operation between government and business.

Due to the efforts of the private sector, most of the infrastructural projects in Bahrain have been completed. The private sector was behind the tremendous increase

in the volume of trade in the country. It took a leading role in developing the service sector.

The private sector has to pay a heavy price for its initiative and leadership in establishing tourism-related projects. In the absence of clear-cut plans for the development of tourism, the private sector had to incur heavy losses.

Now there is hope for the future, tourism has received encouraging attention from the authorities. The industry has proved beyond doubt that it can contribute immensely to gross domestic product (GDP).

In finance and investment, the private sector established banking institutions at an early stage, speeding the pace of economic growth and development. It has established offshore and joint-stock companies. It was here that the private sector hoped to generate additional revenue for expanding economic activities. However, the crash of the share market as a result of inadequate supervision, control and direction from the then newly established government institutions has undermined investment.

In industry, the private sector is the first to admit that its contribution was and still is modest, and at best below expectation. This is because the private sector is convinced that there is no firm strategic and comprehensive plan for industrialisation.

It appears that the concerned authorities are dealing with the challenges of industrialisation in a haphazard manner. The performance of this sector has been characterised by unstable growth. The government, like others in the region, has established large industrial projects in which the private sector could not risk participation.

The private sector believes that industrialisation is the basis for lasting economic development. It is the best method to create and develop investment opportunities and economic activities. There exist immediate investment opportunities in industry, operations and maintenance, oil, gas and aluminium processing, and energy-intensive industries.

It is possible to make Bahrain a focal point in the region for industries with high production capacity and advanced technology geared to export. The private sector was delighted to learn through recent press reports about the government's intention to adopt and implement a 10-year development plan for industry. It is willing to be involved in industrial projects within this strategy, taking into account the limitations of Bahrain's population size and purchasing power.

These factors are likely to weigh against local industry unless a formula is adopted that reconciles the free market and the need for local producers for support and protection. The private sector calls for protective measures against severe external competition. This will entail giving preference to local products and other measures. These measures should only be taken after

ensuring that each industry can meet local demands, and that consumer interests are protected through guarantees of quality and price control.

Developing exports is essential to industry's success. This can be done by establishing an organisation to promote and finance exports. Specialised agencies can provide information, market research and technical consultancy services.

It is worth considering a strategy similar to Saudi Arabia's offset programme. This would encourage foreign companies to set up projects with the private sector in Bahrain.

There is tremendous opportunity for investment in agriculture and food industries. Investment in fisheries is a promising area which the authorities could promote in collaboration with the private sector. This requires the adoption of a plan for the private sector to accept greater responsibility in setting up fishery projects using modern technology and the possibility of making Bahrain the centre of a Gulf-wide fishing industry processing the catches of all Gulf countries for export.

About 75 percent of fishing resources in the region are not being exploited and more than one-third of local fish requirements are being met by imports. Information and technical advice are already locally available through Infusomak of Bahrain.

Credit facilities in Bahrain are only sufficient to meet the needs of traders. For the private sector to play a bigger development role, it needs sources of medium and long-term finance. This can be provided by establishing public shareholding companies, industrial and investment banks, and development funds.

It is for this reason that the private sector looks forward to the opening of the Bahrain stock exchange. It also calls for an environment which allows local commercial banks to change their present cautious lending policies.

The private sector appeals for a speedy solution to unserviced and bad debts. A three-stage formula should be adopted. First, ensure all bank claims are met by those capable of paying but taking shelter behind the lenient attitude of the authorities towards the issue. Second, deal with the debts of those who are unable to meet their obligations but will be able to do so if adequate time is given and their debts are rescheduled for long-term settlement. This can be done by accepting the principle of stopping calculation of future interest and reducing outstanding interest payments. Third, those who have no hope of repaying should be declared bankrupt and prevented from undertaking any economic activity.

The private sector welcomes the introduction of public debt instruments. This will provide investment opportunities for local financial institutions. We expect the

authorities to use the revenue generated by these instruments in productive projects in the country and not to meet the deficit due to the government's recurrent expenditure deficit.

The private sector is concerned about indications of a decline in the drive to protect Bahrain's unique position as a Gulf service centre. It appeals to the authorities to recognise the strength and intensity of the legitimate competition Bahrain has now begun to face. Bahrain is capable of meeting this competition using the experience and service culture it has developed.

This is an abridged version of a speech made at a seminar at the Bahrain Sheraton Hotel on 13 May.

#### **Island's Trade Links With Egypt Extended**

44000646 Manama GULF DAILY NEWS  
in English 21 Jul 89 p 5

[Article by David King]

[Text] An Arab trade embargo on Egypt has been scrapped, a decade after it was first imposed, it was announced in Bahrain yesterday.

The decision, made by delegates to the Israeli boycotts meeting in Damascus, opens the way for Bahrain to extend trade links with Egypt.

The embargo was imposed in Baghdad in 1979, soon after the Camp David peace accord signed between Egypt and Israel.

The turnaround in Damascus last week follows Egypt's recent readmittance to the Arab League.

Details of the boycott committee's decision were released by the Israel Boycott Office in Bahrain.

Director, Sayyid Sayyid, was remaining very guarded over the nature of the embargo on Egypt during the past decade.

#### **Welcome**

"I have no answer to that question," he said.

But, despite the embargo, Bahrain still maintained trade links with Egypt.

Commerce Ministry figures for 1987 show that BD806,299 worth of imports were shipped to Bahrain, while exports to Egypt totalled BD87,068.

Egypt's ambassador to Bahrain, Nabil Mustafa Ibrahim, welcomed the lifting of the boycott. He said there had been limited trade between Egypt and Arab countries during the embargo. Egypt is self sufficient in oil and therefore is not reliant on Arab imports. "There was some limited trade, but I do not know the exact figures. Of course, the embargo had an impact on our country and gave us concern," said Mr Ibrahim.

Delegates in Damascus also agreed to lift a boycott on Rumanian products.

A ban had been slapped on the Eastern Bloc country which, according to the boycotts committee, had imported goods from Israel and re-exported them to the Arab region.

The committee said that Rumania has since produced documents confirming that this practice has now stopped, and so the boycott was lifted.

#### **Training Set for Jobless of New Center**

44000645a Manama GULF DAILY NEWS  
in English 26 Jul 89 p 4

[Article by Soman Baby]

[Text] Unemployed Bahrainis will be trained in office skills under a scheme organised by the General Committee for Bahrain Workers when it moves from Al 'Adliyah to bigger premises in Shaykh 'Issa Road, Adhari, said the Committee's acting treasurer Jawad 'Askar.

The new offices will be opened early next month by the Minister of Labour and Social Affairs, Shaykh Khalifa Bin-Salman Bin-Muhammad Al Khalifa, said Mr 'Askar.

They had enough rooms for classes to improve the skills of young Bahrainis, he said.

"We had no such facilities in the old building. Initially, we will run classes in typewriting, word processing and computer programming in the new premises."

The classes would be held in co-operation with the Ministries of Labour and Education.

#### **Appeal**

"We hope our venture will help ease pressure at the Education Ministry," said Mr 'Askar.

The building had been furnished by major companies which had joint committees for workers.

"We are grateful to Alba, Bapeco, Batelco and Gulf Air which have already provided furniture and equipment, and to other firms which have promised to support the new building," he said.

He appealed to Bahrain companies and business houses to support the project by donating computers and other equipment for educating unemployed Bahrainis.

The new building will also have facilities for seminars on labour issues.

#### **Firms Urged To Increase Staff's Professional Skills**

44000645f Manama GULF DAILY NEWS  
in English 31 Jul 89 p 4

[Article by Reem Antoon]

[Excepts] A Bahraini educationalist has underlined the need for island employers to improve the professionalism of their staff.

"Most of the education and training provided here is not geared towards this," said Taqi al-Zirah, principal and managing director of Gulf Academy.

It was time for institutes on the island to help firms improve their employees' professionalism, he said.

His comments came as the academy and the Regional Management Centre were preparing for a 'Career Enhancement' seminar on Wednesday. [passage omitted]

"We noticed that there was a great demand for such seminars or courses from companies on the island," said Mr al-Zirah.

The seminar aims to promote the concept of the Gulf-based professional.

It will cover finance, accounting, marketing administration and information technology.

#### Careers

It will also highlight opportunities for young Bahrainis to become skilled professionals.

Speakers will include the British Council's education adviser, Ann Hendrie, Investcorp's systems operations manager, Caroline Price, Alba's training manager, Akbar Jaffri, and Price Waterhouse's senior manager, Joseph Keane.

The seminar has been organised to attract prospective students, people already employed and people who want to improve their qualifications and boost their careers.

"Bahrainis and non-Bahrainis interested in their professional career image and the development of their professional title will find this quite helpful," said Mr al-Zirah.

"It is good to see that so many youngsters today want to build up their image of professionalism."

#### Water Tariff for Islanders Planned

*44000645c Manama GULF DAILY NEWS  
in English 27 Jul 89 p 1*

[Article by Soman Baby: "Water Charges on Cards for All Island Families"]

[Text] A water tariff is planned for all families in Bahrain, to force home the 'Save It' message.

The plan which will affect 50,000 families in half the island's households, who currently only pay the set rate of BD1.500, still has to be approved by the Cabinet.

The 50,000 families were left on the flat rate when the tariff was introduced in other homes, because they are only supplied with ground water, not the desalinated sweet water.

But the new move will not necessarily mean extra cost for the families, provided they keep their water usage below a certain level.

The move is among many proposals to be submitted to the Cabinet in September by the Ministry of Works, Power and Water, aimed at drastically reducing Bahrain's water consumption.

Jamil al-Alawi, Assistant Under-Secretary for Power and Water Affairs, said a number of proposals were now being studied, in response to a call for His Excellency, the Prime Minister, Shaykh Khalifa Bin-Salmán Al Khalifa, to conserve water.

A tariff for areas connected to sweet water supplies was first introduced by the government in March, 1985, in an attempt to reduce water wastage.

"Out of some 100,000 households and establishments, only 50 percent were then covered under the tariff, while the remaining, connected with only ground water, continued to pay a flat rate of BD1.500," said Mr al-Alawi.

"We are now forced to introduce a different tariff for the remaining 50,000 households, most of them located in Muharraq, Budaiya, Sanabis, Jasra and other northwest areas of the island," he said.

Out of 50,000 consumers who are already charged for their actual consumption, 60 percent still pay only BD1.500, 20 percent pay BD7,500, 10 percent BD12,500 and the remaining 10 percent above BD20.

"Plans for a comprehensive water policy, which will be submitted to the Cabinet for discussion and directive, will also include better management of all water resources and the strengthening of the water conservation department at the Ministry," said Mr al-Alawi.

"Other proposals include the establishment of a permanent exhibition at the Power and Water Affairs headquarters of the latest equipment available in the market to help conservation of water," said Mr al-Alawi.

#### Problems of Power, Water Reported

*44000645d Manama GULF DAILY NEWS  
in English 21 Jul 89 pp 1, 3*

[Text] Manama—Families in Bahrain face daytime power cuts unless they cut down on the amount of electricity they use, a Government official warned yesterday.

The warning came in a strongly worded "save it" plea from Assistant Under-Secretary for Power and Water Jamil al-Alawi.

He was reiterating the appeal made by His Excellency the Prime Minister, Shaykh Khalifa Bin-Salman Al Khalifa, after the last Cabinet meeting, nearly a fortnight ago.

Mr al-'Alawi said people were still wasting massive amounts of water and power, but he ruled out imposing extra charges.

Mr al-'Alawi said the present power production could meet the island's needs for two to three years, if people were sensible.

"But if the present excessive consumption persists, the ministry will be obliged to cut off power at certain times during the day," he said.

Mr al-'Alawi said up to 27 million gallons of water were being wasted each day.

"Bahrain has consumed 67 million gallons of water a day this summer, when the average consumption rate should range from 35 to 40 million gallons a day, which means a waste of 27 million gallons," said Mr al-'Alawi.

But he said rationing had eased the wastage. "With the help of water rationing for the time being, we have managed to save 67 million gallons," he said.

Mr al-'Alawi ruled out any suggestion of increasing water and electricity charges as a means of persuading people to use less.

But he said a tariff may be introduced on unsweetened water in areas which did not receive sweetened water.

The island's three-year-old water tariff system only applies to consumers of sweet water, who account for 50 per cent of the total.

Mr al-'Alawi said it was originally intended to bring the new Al Dur desalination plant into operation this month, but it would now be opened in September.

He said the Government envisaged an increase in the production capacity of the island's water desalination stations to 30 million gallons a day from 1991-92 and a 180-megawatt boost to power generation capacity from 1992.

Mr al-'Alawi said power and water demand always rose during the summer, but this year's was up five per cent on last year's, largely due to population growth.

### Animal Feed Shortage Reported

44000645c Manama GULF DAILY NEWS  
in English 22 Jul 89 p 1

[Text] Livestock owners have been accused of causing a shortage of animal fodder in Bahrain by hoarding bran.

People were buying more bran than they needed and stockpiling it unnecessarily, according to Shamsan al-Waswasi, general manager of Bahrain Flour Mills Company (BFMC).

BFMC is supplying about 35,000 bags a month to meet the island's needs and there would be enough for everyone if animal owners acted sensibly, said Mr al-Waswasi.

He said the company was waiting for delayed shipments of bran from Thailand and Kenya.

"There is no crisis and people should not panic. If they keep to their normal quantities, there will be no problem," he said.

"We are buying a lot of bran and it is on the way. Within about six weeks there will be plenty of stocks on the island."

The Ministry of Commerce and Agriculture has introduced a 'rationing' system during the bran shortage.

Director of Farmer Services Hasan 'Abd-al-Karim said certificates, specifying the number of animals to be fed, were being issued to livestock owners to obtain fodder from BFMC.

### Island To Crack Down on Illegal Pesticides

44000645b Manama GULF DAILY NEWS  
in English 20 Jul 89 p 5

[Text] The government is to crack down on the abuse of pesticides on the island.

Heavy penalties, including prison terms and fines of between BD100 and BD500, have been set out in a bid to reduce the number of illegal pesticides on the market.

The new laws have been set out in a 16-article legislative decree, published in the Official Gazette.

### Illegal

The decree says that it is illegal to import or trade in pesticides in Bahrain without a licence from the Ministry of Commerce and Agriculture.

Manufacturing, compounding or preparing the substances without a licence is also banned.

In a seven-point penalty guide, the decree states that those falling foul of the laws are liable to stiff penalties, including those who sell or display damaged or falsified pesticide.

### Prison

Two-time offenders face prison terms of not less than three months and fines between BD200 and BD1,000.

The decree also sets out a series of guidelines on packaging and storage of pesticides to avoid leakage and danger to public health.

**EGYPT****USSR Signs Agreement To Provide Engines, Generators**

*45000009 Cairo AL-AHRAM in Arabic 17 Sep 89 p 9*

[Text] In the realm of the growing commercial ties between Egypt and the Soviet Union, an agreement has been signed for the importation of Russian goods, which is being done for the first time. The commodities are valued at \$22 million and they are:

- electric generators suitable for factories and tourist villages.
- marine engines for fishing boats, and
- self-propelled chassis useful for agricultural purposes, especially in transporting crops and fertilizer.

Professor Ayhab Abazah, president of the Egyptian Engineering Works Company, made this statement.

**TOW Missiles Mounted on Fahd Armored Personnel Carrier**

*45000006 Cairo AL-JUMHURIYAH in Arabic 16 Sep 89 p 3*

[Text] Egypt has successfully produced the first prototypes of TOW antitank missiles mounted on the Egyptian Fahd armored personnel carrier. The Arab Industrialization Organization is beginning quantity production of Egyptian add-on armor for the American M-113 armored personnel carrier.

Moreover, the Tower Advanced Industries Company is exhibiting its new generation of Fahd armored personnel carrier for riot control at the Arab Nation's Security Ministers Conference which convenes in Cairo starting today.

The vehicle is protected by a cannon which pumps and sprays a powerful stream of water to a distance of 40 to 50 meters.

**Health Minister Discusses Priority Programs**

*45040484 London AL-HAWADITH in Arabic 18 Aug 89 pp 44-45*

[Interview with Dr Muhammad Raghib Duwaydar, minister of health: "Egypt's Minister of Health Tells AL-HAWADITH, 'We Are Making Plans for a Huge Arab Industry To Produce Medicine, Enabling Us To Control Prices';" first four paragraphs are introduction, date and place of interview not specified]

[Text] Medical treatment has become a political issue in Egypt. After having been a social issue, medical treatment has turned into a matter of political priority. At the present time, medicine is a commodity to be bought and sold, and medical treatment has become expensive. The fact that medicine is being looked at in investment terms has become a grave phenomenon. Large budgets are

required for advanced medical and laboratory services which utilize advanced medical technology and modern treatment methods and equipment, like CAT scanners, MRI scanners, radiation therapy, and organ transplants.

Matters became more complicated when, in addition to old indigenous diseases like bilharzia and cholera, AIDS, spinal meningitis, and tetanus appeared.

The question of medical treatment became acute as the phenomenon of drug addiction grew, especially addiction to white narcotics like heroin and cocaine. Such addiction has disastrous consequences on the health and social welfare of Egyptian families. What happened in Egypt? In the past, Cairo was always a place frequented by Arabs looking for medical treatment. World famous scientists in the different fields of medicine came out of Cairo. However, now medical treatment is available only for the well-to-do, and its availability is based on investment standards.

How true is this? That was the subject of an interview AL-HAWADITH conducted with Dr Muhammad Raghib Duwaydar, minister of health in the Arab Republic of Egypt.

[AL-HAWADITH] What are the government's priorities as far as social development is concerned?

[Duwaydar] Social development for the people depends on economic development, and that is the government's main concern at the present time. The consequences of such economic development are reflected on changes in social development, which is basically summarized in development in the areas of health, education, housing, culture, and other such matters which have to do with raising health standards for Egyptian citizens by means of whom this development is accomplished. All such matters make up the state's general priorities from a social standpoint. The state's general plan ties all these development matters together and coordinates and adapts them.

[AL-HAWADITH] As far as health is concerned, what is your ministry's plan for this year?

[Duwaydar] Much of our attention is being given to prevention, because it is the best method for the developing world. Prevention provides the best formula for the economic conditions which any country is experiencing, and it is also more effective and less expensive. In terms of prevention, Egypt is conducting a very important immunization program against six deadly childhood diseases. It is gratifying that the success of this program has been significant in recent years, with more than 90 percent of the children immunized. This is a very high percentage. If it is translated into figures, we would find that last year, in 1988, children in Egypt received more than 45 million vaccination shots or doses. We also conducted an important program to immunize mothers against tetanus. In November and December of 1988, we managed to immunize more than

1.2 million pregnant women against tetanus. The response to that program was incomparable.

In addition, we produce a salt which fights diarrhea among children. This is an important project for the whole world. There is no doubt that the benefits of these preventive steps, as far as children and mothers are concerned, are obvious. The infant mortality rate in Egypt dropped. In 1981 the infant mortality rate was approximately 84 out of 1,000, but in 1988 that figure fell to 44 out of 1,000. This means that the infant mortality rate was almost cut in half. Such a reduction is large and consequential.

At the present time, Egypt is conducting a major campaign against bilharzia, which is an old disease that has been in Egypt since the days of the pharaohs. It is a disease with very serious complications and could lead to kidney stones, kidney failure, and different kinds of cancer and tumors. Bilharzia is a disease which reduces production and causes enormous losses. We were able to provide a new medicine for the treatment of this disease. It is administered orally, and one dose is about four pills. Approximately 2 million of these pills, which were manufactured in Egyptian pharmaceutical factories, are being distributed free of charge to all rural units. The response to this campaign has been incomparable. I believe that Egypt is on its way to eliminating bilharzia cases or to reducing instances of the disease effectively. This was not done in the past, because treatment was difficult and complications from the disease were grave. The new medicine is effective and safe.

We have an agreement to work with foreign health organizations, mainly the United States of America, in an attempt to discover a vaccine for bilharzia. This is a program that will last approximately 6 years. I hope this program will succeed. At the present time in Egypt, prevention from disease is generally favored, and the response to this program has been tremendous. The media are doing a commendable job of broadcasting health education programs.

[AL-HAWADITH] What is being done to fight drugs, especially now that white drugs have become widespread? To what extent is treatment of addicts possible?

[Duwaydar] The fight against drugs is a national problem that is the main concern for the Egyptian people and the Egyptian government. Our approach to fighting drugs is a comprehensive one, which includes fighting smoking and also includes a social, educational and training approach. The new antinarcotics law is very harsh and very tough in punishing those who sell drugs, especially those who sell the white poisons like heroin and cocaine. If convicted, such people receive the death penalty because these drugs destroy families in their entirety and young people in particular. Therefore, the law does not permit leniency with those smugglers. I believe the new law will constitute a new turning point in the history of fighting drugs in Egypt.

[AL-HAWADITH] What about treatment for addicts?

[Duwaydar] We have sanatoriums. According to the new law, funds confiscated from drug traffickers, and these funds are estimated to be in the millions, may be deposited in a special fund and used to build more sanatoriums for drug addicts. Addicts will be given an opportunity to receive treatment, but if they go back to using drugs, they will be subject to severe penalties.

Those who become addicted to the dangerous kinds of drugs find it difficult to kick their habit, because treatment does not yield the results that we hope it will lead to. The rate of recidivism, the rate of going back to drug use, is very high, especially since the addict's evil associates await his return to drug use with a vengeance. When drugs are not available, a drug addict under the influence of addiction turns into a violent animal, capable of committing crimes against the people who are closest to him: his father, mother, son, or friend. Many well-known stories have been told about such things. It is true that we have many hospitals, like al-Ma'murah Center in Alexandria and the Hospital for Emotional Illnesses in al-'Abbasiyah. It is also true that these hospitals are equipped to provide treatment for such cases. However, the real cure for this problem is prevention. I issued a decree recently designating 10 percent of the beds in public hospitals for the treatment of young addicts. But let me say quite honestly that the percentage of those who are cured is very small. One must have the will to overcome addiction, and this is something which an addict who is neglected by his family does not have. Moreover, there are the addict's evil associates who lie in wait for him to make him resume his addiction.

[AL-HAWADITH] It is being said that serious transgressions have been committed in hospitals where addicts become more addicted to drugs during their treatment.

[Duwaydar] As far as this subject is concerned, the new law stipulates the death penalty for those who betray their trust and distribute drugs, no matter how small the quantity, while they are performing their jobs. I am talking about the nursing staff in hospitals.

[AL-HAWADITH] It has been suggested that addicts should be punished, not treated. How does the new law look at addicts?

[Duwaydar] The new law provides severe punishment to those who primarily hurt others, such as smugglers, traffickers, and those who betray their trust while entrusted with the task of supervising the treatment of addicts. This law applies what God Almighty says, "Men of Understanding! In retaliation you have a safeguard for your lives; perchance you will guard yourselves against evil" [al-Baqarah: 179]. Drugs paralyze the vital functions of the body which becomes dependent on these drugs to a large extent after addiction. If an addict stops taking drugs, many of his bodily functions stop, and he is overcome by a merciless wave of severe pain. A drug addict is not cured by stopping the use of drugs abruptly and completely. Instead, a drug addict stops using drugs gradually, and this treatment is called treatment by

gradual withdrawal. It is known that addiction to white narcotics like heroin and cocaine happens quickly, and that the body becomes dependent on them very quickly after using them twice or three times. This is because these drugs go directly to the brain cells, and vital body functions such as breathing and having a regular heart beat stop unless the drug is in the body. That is why I emphasize once again that prevention is the only cure for young people. This business about experimenting with drugs, testing oneself, or being curious when it comes to white drugs is deadly. It is deadly to the self, to the family and to national pride.

[AL-HAWADITH] What have you done in the way of prevention?

[Duwaydar] This is a question for the families, the media, the schools, and good role models. It goes without saying, of course, that attention to prevention is the proper way to fight drugs. The national antidrug campaign is also being fought in the media. At the present time, the state is intensifying its awareness campaign in athletic clubs and social clubs, and it is utilizing the various audio, visual, and print media. We are informing young people and parents that these drugs, especially the white poisons, have a destructive effect, and that anyone who uses them once or twice is doomed. A person who uses drugs will destroy his life, his future, and his family's future. I believe the response from young people has been considerable. They have become a factor in the effort that is being made against traffickers. We will have a major breakthrough on this issue in the coming days after the new law is applied.

[AL-HAWADITH] We heard that Egypt had a few AIDS cases. Is that true? Has the country been protected from this disease?

[Duwaydar] We affirmed previously, and the WHO [World Health Organization (UN)] agreed with us in a major way, that not a single case of this disease was contracted in Egypt. What we have are Egyptians who contracted the disease and became infected while they were residing in a foreign country or while undergoing surgery or blood transfusion abroad. We also have foreigners who were infected with the disease when they were in their own country. All together, we have no more than 100 cases, and all of them have been medically and preventively contained. The foreigners have been deported, and thousands of blood samples are now being tested every month in an attempt to get some sense about the extent to which this disease has spread in Egypt. We are attempting to get a sense of the reach of this epidemic. We are testing more than 1,000 samples taken from all segments of the population all over the country. So far, approximately 21,000 samples have been tested, and not one single positive sample has been found. We show these samples to NAMRU, the Naval American Medical Research Unit [in Egypt]. We also intensified our efforts to ensure the purity of the blood supply. Blood is not circulated in Egypt any more unless we are

assured that it is free from the AIDS virus. This is done after the blood is subjected to the necessary medical and technical tests.

The people's religious orientation and Egypt's prevailing Islamic traditions prevent many from engaging in deviant and foolish behavior. The fact that Egypt is AIDS free now is not what matters; what matters is that it remain AIDS free in the future. This is what we are aiming for quite forcefully, and we are taking many measures to achieve this end. Suffice it to say that we are now producing more than 200 million disposable needles. We have three factories producing these needles, and production in these factories is growing. We also subject all blood derivatives or medicines which could transmit the virus to scrupulous examination, which is performed in Egyptian laboratories. We do not depend exclusively on a certificate that these materials are free from the virus. Let me speak like a true father to our young people abroad, especially those who are in European countries and in America, and let me tell them to fear God with regard to their religion, their families, and themselves. Young people should know that a death certificate awaits he who gets the AIDS virus.

[AL-HAWADITH] It is being said that medical treatment in Egypt has become very expensive, and that the cost of medical treatment in the private sector exceeds proper bounds and is not subject to any government control. Is this true? What is your plan to make medical treatment available in Egypt?

[Duwaydar] As I mentioned at the outset of the interview, we are putting emphasis on prevention first. It is known that prevention is better than a cure or makes a cure not necessary. God willing, however, we are building many hospitals. At the present time, we have 100,000 beds: the Ministry of Health controls 65,000 beds; the university hospitals control 15,000; and Cairo's Institute for Treatment, Alexandria's Institute for Treatment, the Health Insurance Organization, and the Teaching Hospitals Organization control 15,000 beds between them. The private sector only has approximately 15,000 beds. Nevertheless, the state continues to build large hospitals like the Nasir Institute, which will have 1,000 beds and is considered one of the best specialized hospitals. The state is building 'Ayn Shams Hospital (with 1,000 beds), Asyut University Hospital, al-Hilal Hospital, and hospitals throughout the country that will offer specialized medical service and medical treatment whose costs would be shared. These hospitals will be equipped with top level medical equipment, a highly qualified nursing staff, and famous physicians so that we can satisfy the people's aspirations for famous names. The present approach in specialized medical treatment is one in which treatment cost are shared by the government and the people.

In this regard, we do not forget the cooperation of Arab countries. We are thankful and grateful to King Fahd Ibn-'Abd-al-'Aziz, the custodian of the two holy mosques, for building a large and distinguished center

for the treatment of kidney disease, dialysis, and kidney stones. God willing, this center will become one of the world's major medical centers in that special field. King Fahd visited that center when he visited Egypt. Everyone in Egypt feels that the Kingdom of Saudi Arabia, especially the custodian of the two holy mosques, empathizes with Egypt and shares its problems. Everyone feels that Saudi Arabia is working with Egypt to solve its health problems.

[AL-HAWADITH] A few days ago you signed an Arab plan for children's health. What will this plan yield for Egypt?

[Duwaydar] Children are the future. The demographic makeup of the Egyptian nation is such that more than half of the population is below the age of 18. The state's attention is given to caring for children because, to us, the childhood years are a health and education issue as well as a socio-economic and religious issue. Despite his national, political, and economic concerns, President Mubarak actually has been giving this matter special attention. About 1 year ago or more, he issued a decree forming the Supreme Council on Childhood, which devises and coordinates child care plans. The prime minister chairs the council, and the appointed ministers interested in all activities serve on it. The political commitment to children is a major commitment which also manifested itself in President Mubarak's decree that the next 10 years (1989-1999) become the child protection decade. Specific goals for that decade were defined. In 1994, God willing, poliomyelitis will be eliminated once and for all, and infant mortality will decline significantly and effectively. In addition, other directions will be pursued for Egyptian children, such as education and training. As I mentioned at the outset of the interview, the immunization campaign led to a noticeable decline in deaths among children.

As far as the Arab plan is concerned, we thank Prince Talal Ibn-'Abd-al-'Aziz who called for this plan and managed the process of funding it from different development funds. He also called upon UN organizations to help Arab countries establish a data base that would be useful to the medical plan in helping it find out about the childhood problems, the implications of the maternity problems, and the intricate relationship between these problems and different activities so that an approach can be found to solve these problems. As Prince Talal said, "This is the beginning, and we hope this effort will grow. We hope the entire Arab world will pledge itself to protect Arab children who are the foundation of tomorrow's world. The hope of the Arab nation lies in children who are brought up healthy in the medical, physical, mental, educational, and cultural sense of the term."

[AL-HAWADITH] Will the fact that Egypt has resumed its membership in the Arab League be reflected in its role in health matters, as far as Arab programs on health cooperation are concerned?

[Duwaydar] I am absolutely certain that Egypt has never been far away from its Arab homeland during the years of estrangement from this Arab world with which it has close ties. Egypt has language ties, blood ties, and neighborly ties with the Arab world. The Arab nation's concerns and hopes are felt and understood by Egypt's nationalists, and by its social and intellectual sensibilities. Egypt never failed to carry out its historic responsibilities, especially with regard to crucial Arab issues, chief among which is the Palestinian question. Egypt believes completely that it has a common destiny with the Arab nation, and that joint action with the Arab countries will develop the nation's common interests. Egypt's return to the Arab League is the official validation of what used to take place in previous years. I believe that what happened in Casablanca and President Muhammad Husni Mubarak's historic address there will continue to set the pace for joint Arab action in the coming period. The purpose of this action is to improve the Arab's worth and promote his prosperity. Its purpose is to move, in a civilized manner, toward the practical achievement of common interests in a world where words no longer matter. What matters, however, is organized, planned, and civilized action taken for the sake of ordinary Arabs. That is what is more important.

[AL-HAWADITH] And are there Arab coordination plans and Arab cooperation plans in the health field that are being devised now?

[Duwaydar] I believe that the presence of Egyptian medicine as represented by Egyptian physicians and Egyptian nurses working in most Arab countries and in many African countries is a fact. There is no doubt that the Arab world has always welcomed and been satisfied with Egyptian medical teams. This is an old and close relationship that continues today. At the present time, we are making plans for intense cooperation in the area of manufacturing medicine. We are integrating our outlook so that we can benefit from each other's resources and capabilities in this important, economic, and humanitarian sector. Through useful planning, we are trying to work in the area of producing pharmaceutical raw materials which are the strategic basis for the pharmaceutical industry in the world. Pharmaceutical raw materials are the heavy industry of the pharmaceutical field. They are to the pharmaceutical industry what the iron industry is to the engineering industries. Pharmaceutical raw materials require a high level of technology and a large market for cooperation. Such a large group can stand up to the producers of these materials throughout the world. We can thus bring about growth and economic stability in our country, and we can control the price of medicine by producing distinguished pharmaceutical raw materials which are produced by the Arab world and consumed in it.

#### Agriculture Minister Optimistic on Wheat, Other Crops

45040490 Cairo AL-SHA'B in Arabic 22 Aug 88 pp 3, 7

[Interview with Agriculture Minister Dr Yusif Wali by Ahmad al-Siyufi; first four paragraphs are AL-SHA'B introduction; date and place not given]

[Text] The next war faced by the Third World will undoubtedly be one for food, and wheat will be the most effective weapon used in the attempt to make poor peoples dependent. The astonishing numbers before us require that all Egyptians be summoned to meet this challenge in order to confront the new colonialism.

Our information and figures show that: Egypt is the third-largest wheat importer in the world. We spend \$1.4 million annually for wheat and import 8 million tons. We grow approximately 3 million tons only, about what low-producing livestock consume and close to bread shortage that is lost because of poor production. The price of 3 million tons of wheat is \$500 million. Clover is cultivated on 3.2 million feddans, while wheat occupies 1.4 million.

Experts confirm that we can achieve self-sufficiency in wheat within 2 years if we agree to a strategy. There is arable land where all our water resources could be used and highly productive types of wheat planted. Priorities could be changed, with other types of fodder used instead of clover and other livestock raised that consumes less and produces more.

The Labor party stresses that self-reliance in foodstuffs is a national goal for which we must make any economic sacrifice. We are amazed that the government is not giving experts' projections on this subject the attention they warrant. For this reason, we decided to turn to the official in charge of the agricultural sector, particularly since he is also the secretary general of the National Democratic Party. We went to get his answers, which we publish here, despite our observation that he did not answer every point we raised.

[AL-SHA'B] Where does wheat rank in the concern's of the Ministry of Agriculture, and is there hope of attaining self-sufficiency?

[Wali] Wheat is at the heart of the Ministry's concerns. This is reflected at the performance level in the policy of growing high-production varieties of wheat and systematic exploitation of the different characteristics, as well as in the balanced Egyptian policy, which guaranteed the wheat producer an adequate return and encouragement to increase his acreage every year. Intensive advisory efforts have been made as part of a national campaign by the Ministry in cooperation with other scientific bodies, foremost among them the Academy for Scientific Research and the associations. This is evident in the success of wheat production, which has reached approximately 3 million tons, up from approximately 2 million tons at the inception of the first plan.

Self-sufficiency is not impossible. It was not stipulated in the goals of agricultural policy because we grasped the reality of matters which require that our limited resources be allocated in a balanced manner. However, this does not prevent us from being interested in increasing production, as you said earlier, so that we can reach secure limits of self-sufficiency. No doubt this will require parallel efforts to ration the use of wheat and

flour, which has reached an annual per capita consumption of 200 kg. This is unreasonable when we look at the figure Egyptian citizens have always consumed, 75 kg, or half an ardeb [a dry measure] per person. We know that domestic production now provides 60 kg annually per person, and it is obviously important that efforts to increase production and rationing of consumption go hand in hand to achieve maximum domestic self-sufficiency.

[AL-SHA'B] Dr. Wali, is a plan being followed to increase cultivated land to meet the coming war for food?

[Wali] The government's plan seeks to add 150,000 new feddans to land cultivated under the current plan. Thank God, during the first year of the plan 153,000 feddans were reclaimed, with 162 reclaimed the second year. We should note that the volume of private sector production has grown year by year to implement the goal of land reclamation, adding to our available water, land, and financial resources.

[AL-SHA'B] Is there an arrangement among the Ministry of Agriculture, the Ministry of Irrigation, the Ministry of Supply, the agricultural and water research centers, and the associations, to define priorities and intensify efforts to meet future challenges in this realm?

[Wali] This 'arrangement' is carried out under the state's 5-year plan by all agencies according to their specializations. Priorities and projects defined by the plan were subjected to intensive discussion by all constitutional and scientific institutions. The plan also guaranteed means of monitoring project implementation and being aware of variables.

[AL-SHA'B] During the harvest holiday in al-Sharqiyah, you stated, "We can achieve self-sufficiency in wheat in 5 years." On what basis did you determine this time period, particularly since you stated that you are reclaiming 150 feddans annually, while for self-sufficiency we need more than 3 million feddans?

[Wali] I mentioned to you the gap between production and consumption of wheat, so what you are attributing to me about achieving self-sufficiency in wheat is not correct. Cultivation of 3 million new feddans of wheat would naturally be at the expense of crops strategically important to industry, export, and consumption. For this reason, I would not think of asking for such a thing because it lacks the economic dimension which governs production activity as a whole, particularly agriculture. The current plan raised wheat production and expanded acreage gradually, primarily at the expense of clover acreage. This, along with comparable efforts to ration consumption and restore natural consumption rates will reduce the wheat gap to a considerable degree.

[AL-SHA'B] But how do you explain the defect in agricultural policy? We plant 2.6 million feddans in clover, compared to 1.3 million in wheat. Why do you not draw up a plan for alternative fodder crops and use

firewood, mulas [as published], and farm by-products? Why do you plant recently reclaimed land in clover?

[Wali] It is not logical or realistic to consider the planting of 2.6 million feddans in clover and 1.3 million in wheat a defect in agricultural policy. Clover acreage increased in previous years because of the profits it brought to farmers, since the prices of other strategic crops, including wheat, were frozen. This created a reality we had to deal with through our agricultural policy, which was aimed at a continual reduction in clover acreage and increased wheat acreage within a rapid, balanced policy pursuing and supporting this goal. Without such a policy, the goal could not be attained, because a farm's production decisions must be compatible with its economic interests.

As for your statement about efforts to diversify sources of livestock fodder, that is what the ministry is doing currently in coordination with the Ministries of Industry and Supply, the scientific organizations in the research centers, and the associations, as part of the Fodder Council, which encompasses all of these bodies. We have succeeded in increasing fodder production from 1.6 million feddans a few years ago to approximately 2.2 million today.

[AL-SHA'B] Dr. Wali, it is said that the bread shortage resulting from poor production exactly equals the amount of wheat planted in Egypt. Is there a plan to prevent such a shortage in cooperation with the Ministry of Supply by improving production, or is this the duty of the Ministry of Agriculture alone?

[Wali] A bread production research unit in the Agricultural Research Center is in direct contact with the concerned agencies of the Ministry of Supply to support efforts to improve production of flat bread, with the results evident this year. The Ministry of Supply has also made efforts in this regard through its Bakers' Training Center by developing a policy for bread pricing and improving working conditions in bakeries. Reducing the bread shortage also requires media support on the national level by reviving the obvious religious value of generations of deep respect for bread, as a blessing from God, may He be praised, that is linked to the continuation of life.

[AL-SHA'B] The experiments at al-Salihiyah and al-Khattarah have proven that the desert provides abundant wheat. There are more than a million feddans on the northeast and northwest coasts (Sinai and Matruh) that could be cultivated with rainwater and one or two irrigations with water from the Nile or from wells. Approximately 2.1 million feddans could be cultivated with rainwater alone in the northern Sinai. The Ministry of Public Works could provide the area between al-'Alamayn and al-Dab'ah with 2.1 million cubic meters daily through al-Nasr Canal, enough to cultivate 200,000 feddans. Why has this grave issue not been taken seriously?

[Wali] The gravity and importance of the issue require that we maintain the utmost degree of objectivity and realism in the opinions we voice. Wheat is already being cultivated on the northern coast using rainwater, and speaking of providing millions of feddans there with irrigation water to grow wheat is premature because of the tremendous investment that would require.

[AL-SHA'B] There are inexpensive solutions to the problem, why have they not been used? Why are 2.7 cubic meters of usable water lost into the sea instead of being used to irrigate agricultural land? Why do we leave the weeds that cause 10 to 15 percent of the loss? Why do we not make available new seeds that raise productivity by 30 to 50 percent?

[Wali] Efficient use of our water resources is at the forefront of our present and future concerns, not only for Egyptian agriculture, but for the national economy as a whole. It is irrational to treat the water God has given us with such extravagance. At present we do not approve any new land reclamation project until we have confirmed that it uses the proper irrigation means. Meters will be installed on any wells drilled to control use of the water, not to charge the farmer for the cost. As for the water that flows into the sea through al-Shatawiyah Dam, which we are forced to release from the lake for river navigation and electricity, several alternative uses are being studied.

[AL-SHA'B] If there has been planning, how did the government dig canals and ditches in areas with huge ground water reservoirs underneath, as happened in the al-Bustan region in the western Delta?

[Wali] It is completely possible to integrate more than one means of irrigation in the same area, for example in al-Khattatibah, which the private sector expended great efforts to reclaim. The Ministry of Public Works will provide the area with a fixed water source in addition to the wells drilled. The important thing always is to ration the use of irrigation water to maintain the irrigation ground water reservoir, which must always be treated as if it were limited, and to preserve the fertility of the soil.

[AL-SHA'B] If there has been planning, how could the government reclaim water-deprived areas without ground water or rain that are not near the Nile, as was done between Kilometer 65 and kilometer 85 on the Cairo-Alexandria desert road? Was this done with planning?

[Wali] The entire area defined in the government plan can be irrigated, since this is one of the most decisive elements for agricultural use. In fact, the maps for the water and land resources plan for all governorates show the volume and type of water available, the soil characteristics, the climate in the area, and the best crops for the area. These maps and their attachments show these elements available for sale to any investor at the current cost price.

[AL-SHAWB] Eastern al-Uwaynat lies over the western desert reservoir. The land is arable, and 250,000 feddans could be cultivated for 2 years with this water. What has the Ministry of Agriculture done in this region?

[Wali] The Ministry of Agriculture and Land Reclamation is currently making research and exploration efforts in the area, particularly on uses of renewable energy, such as wind and solar energy. We are cooperating with the Italian government, and you will find a 200-feddan model farm there. The ministry is also directing the major investment projects submitted by companies for implementation in the area.

[AL-SHA'B] Finally, Dr. Wali, a tremendous number of complexities face investors reclaiming desert land, since the government treats them as if they were on trial. Why are they treated in this humiliating way, and is there a plan to transfer ownership of land to the person who reclaims it or cultivates it, specifically since you stated this recently? What is the latest on this subject?

[Wali] Many land reclamation investment projects have received the attention and support of government agencies, whose interests lie totally in increasing investment efforts, particularly in the field of land reclamation. The increased role of the private sector in land reclamation will confirm this fact.

Measures will be taken to transfer ownership of land to whoever exploits it for the 45 days following first submission of the application, at 400 pounds per feddan outside the state infrastructure. The importance of the use of proper irrigation methods in order not to waste limited water resources must be underscored and must be considered the most important condition for ownership. Anyone who takes possession of land that is part of the government plan will be moved to a neighboring field and an accounting made of his expenditures.

### **Government Faces Problem of Three Million Unemployed**

45040499b London AL-MAJALLAH  
in Arabic 5 Sep 89 pp 46-48

[Article: "How Is Egypt Tackling Problem of Three Million Unemployed Who Are Looking for Work"]

[Text] As the 1990's approach, Egypt is facing one of its most serious social, economic, and even political problems. The figures assert that unemployment amounts to nearly 20 percent of the workforce and that there are nearly 3 million unemployed, 90 percent of whom are educated youth. Economists and sociologists have also asserted that unemployment in Egypt is the main cause behind youth delinquencies and religious radicalism. Similarly, studies confirm that an obvious flaw exists in the Egyptian manpower structure, considering that illiteracy prevails among more than 50 percent of the total manpower, not to mention the low educational standard

of nearly 75 percent of the workforce, and the fact that only 22 percent of this workforce is employed in production.

There are numerous questions and queries regarding the unemployment phenomenon in Egypt, regarding its future and regarding the real reason behind the incompatibility between the working forces and the requirements of the present and future development plans. Why do youth avoid technical training and why is the workers' interest in training weak? Finally, how is the government facing this phenomenon which obstructs the continuity of any economic reform?

To learn the true dimensions of the unemployment problem in the 1990's, we have interviewed numerous economists and officials.

### **Unemployment and Delinquent and Radical Tendencies**

On the degree of Egyptian manpower's compatibility with the requirements of the development plans, and on the unemployment phenomenon's social consequences to the Egyptian youth, Dr Ihab Nadim, an economics professor at 'Ayn Shams Business College and secretary of the Political Economy, Statistics, and Legislation Association, has said that numerous Third World countries continue to suffer from backwardness despite the abundance of their natural and human resources. This may be due to failure to develop the latent and gained human capabilities and to use the workforce efficiently. If we consider our Egyptian society, we find that it suffers from an evident flaw in the relationship between education and training on the one hand and employment on the other. The figures assert that the percentage of the workforce to the total population does not exceed 26 percent, that 50 percent of the workforce is "illiterate," that 20 percent can read and write, and that 5 percent holds less than junior high school certificate, whereas 13 percent of the workforce has middle level technical education. The latter is the skilled labor group which the Egyptian market needs and of which there continues to be evident shortage. This confirms the obvious imbalance between the educational and training policies on the one hand, and the needs of the country's economic activities on the other. Similarly, the workforce also suffers from a flaw in the labor structure and this flaw is embodied in the fact that specialized labor in the area of production amounts to only 22 percent of the total manpower. All this has created various forms of unemployment in the Egyptian market, of which the most significant is the open unemployment whereby no job can be found, and the masked unemployment which collects wages but does not work in the state agencies. The number of the unemployed rose from 175,000 in the early 1960's to nearly 3 million in 1988. This is due to the development of the political, economic, and social circumstances that have prevailed in the Egyptian society during this period.

### Twenty Percent Unemployment

Dr Ihab Nadim adds that unemployment in Egypt is estimated at nearly 20 percent the workforce. This is a very high percentage when compared with numerous countries, considering that it is 2.8 percent in Japan, 6.9 percent in the United States, 10 percent in France, and 12 percent in Britain, according to the latest statistics provided by the International Labor Organization. This is insofar as open unemployment is concerned. As for the masked unemployment which has shifted from the countryside to the various government agencies and the public sector, some estimates assert that it is not lesser in degree than open unemployment, and that the danger of the unemployment phenomenon lies not only in its evergrowing dimensions but also in the unemployment structure and in its social and economic consequences, considering that more than 90 percent of the unemployed are "first-time" job seekers. This confirms that most of the unemployed are educated youth or, in other words, graduates of the educational systems. Dr Nadim pointed out here that continued unemployment among the educated youth or attempts to employ them in unproductive and unrewarding jobs generates a feeling of frustration, not to mention that some of them will be carried away by delinquent or radical tendencies. This is for the social danger. As for the economic consequences emanating from this problem, they are embodied in the constant waste of money spent on the educational process, without generating a real growth in the national production.

### Seventy Percent of Qualified Are Unemployed

On the most significant manifestations of the flaw in the Egyptian labor market and on how these manifestations have collaborated to create the unemployment problem, Dr Najib Hasan Ghaytah from the Ministry of Manpower and Training has said: The unemployment problem has become one of the most serious problems the Egyptian society is currently facing by virtue of its economic and social damage. Efforts must be made to rescue society from its consequences. Perhaps the presence of a high percentage of unemployment among people with higher and middle-level qualifications is the best proof of the presence of numerous flaws in the national population policies, the educational and training policies, and the employment and utilization policies, not to mention the nature of the economic and social policies. All this has undoubtedly contributed to magnifying the dimensions of the problem.

Dr Najib Hasan Ghaytah added that the percentage of qualified people who have actually been appointed to jobs does not exceed 31 percent the total number of the registered qualified job seekers. This reflects the most serious flaw in the Egyptian labor market, considering that nearly 70 percent of the qualified job seekers are not absorbed by the Egyptian labor market. Even though the Egyptian workforce has increased by nearly 2.7 million workers in the past 10 years, growing from 11 million workers in 1976 to 13.7 million in 1986, this increase has

not led to an obvious increase in production because the percentage of workers in the production sectors has decreased. For example, the percentage of workers in the conversion industries sector dropped from 13.9 percent to 13.1 percent, and in the transport and communications sector from 4.9 percent to 4.4 percent. An obvious increase has begun to develop in the percentage of workers in the services sector, with this percentage rising from 19.2 percent to 20.3 percent in the 1980-84 period.

### Drop in Employment Abroad

On the other hand, the constant growth rate of women's entry into the workforce has intensified the current unemployment problem, considering that the percentage of women in the workforce rose from 5.5 percent in 1976 to 11.4 percent in 1986. Even though the government seeks through its educational policy and its population policies to increase the percentage of women's participation in the labor market, considering that this is a positive indication of reduced female fertility and, consequently, of curtailing the dimensions of the Egyptian population growth problem, the government aspirations have not been realized because women are constantly preoccupied with marriage and with giving birth.

Dr Ghaytah further added that the contracts concluded by Egyptian workers to work in the Arab countries—contracts which represented increased employment opportunities in foreign markets—began to decrease, dropping from 465,000 work opportunities in 1986 to 422,000 opportunities in 1987, including personal contracts, government loans, and loans to the private sector, whereas these opportunities had exceeded 465,000 in 1986.

### Avoiding Vocational Training

The statistics affirm that there is a serious deficit in the specializations needed by the Egyptian development plans, whereas there is an annually growing surplus in some other specializations. Asim 'Abd-al-Haqq, the minister of manpower and training, has attributed this gap between the actual needs and those actually appointed to the weak link between the educational and training degrees and the labor market needs. This is one of the reasons leading to the imbalances and the enormous, and in many cases, continuous surplus and deficit problems experienced by the labor market. He said that linking education to society's needs has become a vital demand in the current phase, considering that production in the various sectors can be given a strong boost by supplying them with the actually needed skilled and specialized labor, both quantitatively and qualitatively.

The minister of manpower asserted that for unskilled labor, vocational training is the main link between the supply and demand, considering that this training enables people to gain certain skills that qualify them for certain jobs. It thus enhances productivity and curtails unemployment.

As for the ministry's responsibility in planning and developing the workforce, the minister said that the ministry can accomplish this through the Egyptian training units which amount to 522 units with an annual absorption capacity of 108,000 trainees, of which only 85,000 have been exploited. This means that there is an unexploited capacity of nearly 23,000 training opportunities.

The minister added that the lack of full ability to create more productive work opportunities in Egypt is due to numerous factors, including the role played by the public sector and the obstacles facing this sector's march because of several reasons, as well as the problems obstructing the role which the private sector should perform in the areas of agricultural and food production and of land reclamation. This dictates that the private sector be encouraged to operate in the various areas, and that the necessary measures be taken to deal with the public sector's losing firms so as to increase the available work opportunities. We can also correct the unemployment problem through organized and well-studied emigration to foreign markets under the umbrella of bilateral agreements, provided that such emigration is not allowed to affect the economy's requirements of skilled labor.

#### **Government Employment Behind Unemployment**

How can Egypt exploit the masked unemployment in the government agencies and authorities and in the public sector establishments? Regarding this question, a recent report by the World Bank notes that the employment programs established by the government to fight unemployment lead in numerous developing countries to the presence of a surplus of unskilled workers, compared to a shortage of skilled workers. In addition, the quick erosion of real rewards leads to reducing the effort made by the worker, who develops the conviction that his job is safe and that nobody can deprive him of it. This is why workers start thinking of taking up another job, and end up holding two jobs, or why some become inclined to accept small bribes and perform nongovernmental jobs during official workhours to make up for their diminishing wages. Under such circumstances, it becomes difficult for an honest and capable management to survive.

The report asserts that these policies, embraced by numerous countries to squeeze and reduce wages, not only weaken the incentive to work, but also encourage the workers with better qualifications to leave their jobs, while workers with lesser qualifications stay put. This confirms the need to link incentives with production in order to eliminate the masked unemployment.

#### **Banks Agree To Pay for Cooking Oil, Sugar, Medicine Imports**

*45000008 Cairo AL-JUMHURIYAH  
in Arabic 17 Sep 89 p 4*

[Text] The four public sector banks—Misr [Egypt], al-Ahli [National], Cairo and Alexandria—have agreed to

introduce \$170 million of import credits for cooking oil, sugar, and medicine during the next quarter.

A Central Bank official announced that these credits will be divided equally among the four banks and that each bank will be allotted \$42.5 million in a number of incremental stages.

Furthermore, a \$32 million credit for cooking oil and \$50 million to import sugar were allocated and credited to the General Authority for Supply Commodities, as well as \$20 million to import agricultural fertilizer and \$30 million for yellow corn credited to the Principal Bank for Development and Agricultural Credit.

Moreover, \$38 million was allocated for medicine and prerequisites for its manufacture, credited to the Pharmaceutical Authority at the Health Ministry.

Today the banks begin managing these credits, provided that the Central Bank delivers [the credits that] have already been introduced and the remainder [to be delivered at] the end of this month.

#### **IRAQ**

##### **Second Trans-Saudi Pipeline To Open**

*44000665 Baghdad BAGHDAD OBSERVER  
in English 10 Aug 89 p 1*

[Text] Baghdad, 9 August, INA—Iraq's second trans-Saudi oil pipeline will open on 19 September to increase Iraqi exports via the Red Sea from half million to 1.65 million barrels per day (bpd). Oil Minister 'Isam 'Abd-al-Rahim said on Wednesday.

Mr 'Abd-al-Rahim told the Iraqi News Agency (INA) the 65-inch-diameter (165 cm) pipeline stretches 1,500 km (900 miles) on the same route as the current pipeline that ends at the Saudi port of Yanbu' on the Red Sea.

He said the project also included the construction of a network of large storage tanks on the Red Sea with a capacity of one million barrels.

The pipeline, the diameter of which decreases to 42 inches (106 cm) at its Red Sea end, stretches to 1.3 km (a mile) into the sea for the loading of supertankers with more than half million tonne capacity.

The Oil Minister said on Monday, Iraq could export six million barrels of oil per day (bpd) from next year but would stick to its OPEC quota. Iraq currently has a quota of 2.783 million bpd set by the Organisation of Petroleum Exporting Countries (OPEC).

Mr 'Abd-al-Rahim also said Iraq planned to build a second pipeline linking its northern and southern oil-fields.

## ISRAEL

### Campaign To Encourage Settlement in Western Samaria Initiated

44000022 Tel Aviv HA'ARETZ in Hebrew 24 Sep 89 p 5

[Summary] The Ministry of Construction and Housing will tomorrow begin a campaign to encourage settlement in Western Samaria. Within the framework of the campaign, which will continue until 20 October 1989 and will include the settlements of Qedumim, Tzofim, Ari'el, Ginot Shomron, Bet Arye, and Rosh Ha'ayin, the Ministry of Construction and Housing will grant settlers 20-year NIS [new Israeli shekels] 20,000 loans with a yearly interest rate of 5 percent.

### Magnetic Card Replacements Sought

44000023 Tel Aviv 'AL HAMISHMAR in Hebrew 27 Sep 89 p 2

[Summary] More than 10,000 Gaza Strip residents have applied to the Civil Administration for a replacement for their permits to work in Israel after their first magnetic cards were taken from them by masked men. Civil Administration sources say that every day about 400 residents receive a second card, for which they must pay. It is believed that some of the applicants want a second magnetic card in case their first card is confiscated by masked men. The Civil Administration is considering doubling the price of the card in order to reduce the number of applications and bring about a situation in which Gaza residents do not relinquish their first cards so easily.

### IDF Infantry Training Format Being Restructured

44000014 Jerusalem THE JERUSALEM POST in English 13 Sep 89 p 2

[Text] The IDF [Israel Defense Force] is restructuring its infantry training format in order to improve the performance level of companies before they are assigned to operational duty. This was revealed yesterday by Major General Uri Sagi, head of the Ground Forces Command, in a briefing to defense reporters at the infantry's training school on the occasion of the IDF's first Infantry Day.

The restructuring also involves a more selective process of choosing those soldiers who will become non-commissioned officers which, Sagi said, would fill the infantry's need for more professional junior commanders. Included in the restructuring is the insertion of an extra advanced training series after basic training and before the companies' assignment to operational duties along the border. All infantry soldiers will pass a basic non-commissioned officers' training program, early in their careers, to further raise the professional level of individuals and the operational level of the infantry companies and battalions.

A selected group of the best soldiers will then pass an additional 2-month sergeants' course, which will include sections on navigation, advanced weaponry skills, and leadership skills. Soldiers will not be eligible for the sergeants' course until 15 months after their induction.

One of the byproducts of this more selective program is expected to be a lower level of dropouts from officer training courses. According to Sagi, three induction groups have begun to make their way through the altered format, and commanders are already reporting increased performance levels.

Sagi said the IDF was introducing the practice of an Infantry Day to replace individual dates observed by the paratroopers and the Golani, Giv'ati, and NAHAL [Pioneering Combatant Youth] brigades.

Soldiers from all the infantry brigades and trainees from the IDF's Officers Training School participated in several professional competitions, which included tests of physical endurance and such skills as marksmanship with personal weapons, 52 mm and 60 mm mortars, RPGs, and other weaponry. Overall winners in yesterday's competition were soldiers from the Golani Brigade, followed by the paratroopers, and officers school trainees.

### Benziman Critiques Ge'ula Kohen's Rhetoric

44230169b Tel Aviv HA'ARETZ in Hebrew 24 Jul 89 p 8

[Article by 'Uzi Benziman: "Poison Gas"]

[Text] It's strange how much Ge'ula Kohen, a woman who, as it were, is supposed to be sensitive to words and their exact shades of meaning, is not conscious of the large number of linguistic associations milling about in her brain and coming out of her mouth.

Last week, on the podium of the Knesset, she spoke of "all the Sarids, the Dadi Zuckers, and the Tzabans, who are victims of national AIDS, who have lost their immunity mechanism, and are full of germs and think that they will spread them among the people." And after all, Ge'ula Kohen, who was in the distant past a radio announcer who actually felt the taste of words on her lips, and in the more recent past was a journalist who sat opposite the shelf and pondered which linguistic box to place there, should choose her expressions with some common sense.

Adolf Hitler was the one who compared human beings to dangerous germs that contaminate the environment. He defined the Jews in that way. He also believed in his diagnosis, and, therefore, translated it into the language of a practical apparatus whose function was to struggle with that danger. The result was the death camps. With the metaphors that Ge'ula Kohen chooses to describe her political opponents, she returns—is it really unconsciously?—to the path of the Nazi oppressor. With her

foolish words, she turns Israeli public figures into dangerous viruses, and doesn't grasp that she is assigning them a fate where they will turn from human beings into dust.

Were this a onetime slip of the tongue, there would perhaps be no place to deal severely with Ge'ula Kohen's last statement. But the stormy madam from Tehiya said of Yosi Sarid this March, in the Knesset Security and Foreign Affairs Committee, that he is a "fifth column" and that "it is madness to allow him to be a member of the committee."

And 2 months later, during a visit by the committee in Hebron, Kohen again attacked Sarid with the term "fifth column" and even gave him a new title, "the national informer." When the honorable member of Knesset chose from the reserve of possible curses and insults precisely these titles, she placed explosives that leveled the ground for a physical attack upon Sarid.

#### The Style Is the Man

We have become so accustomed to the verbal abandon of Ge'ula Kohen, that we accept as a matter of course every wild expression of hers, such as the last one, which compares the leftist MK's [knesset members] to spreaders of AIDS. Indeed, the style is the man, and the choice of expressions used by Kohen (against 'Ezer Weizmann she flung a year ago "you're all whores") is her private affair. Apparently, there is a deep reason for the world of sexual imagery (homosexuality, prostitution) which the member of Knesset is using. But perhaps, nevertheless, she would stop for a moment and ponder the implications of her behavior for her image and the image of the political camp of which she is a member: what gain is there for the extreme right in being identified with the verbal wildness of Madam Kohen? And maybe she would consider the influence of her loud outbursts on the public climate?

This last subject brings me to mention also the responses of Yosi Sarid to Ge'ula Kohen's attacks.

He, too, as it were, is a person sensitive to words and knows how to use them in calculated dosage (as his nice articles in HA'ARETZ testify). His past also includes journalism and even a book of poetry. It should be said immediately that there is no symmetry between him and Ge'ula Kohen: He is a victim of her verbal bombs, he is the one who is defending himself. And Sarid, a proud Sabra, does not turn the other cheek. He fights back. And he does that in a style that definitely is influenced by that dictated by the wild woman from Tehiya.

And here is how Sarid replied to Kohen's attacks upon him in the Security and Foreign Affairs Committee: "You are a leech. Every day I have to go home and cleanse my clothing of your adhesion." And he explained (HA'ARETZ 22 June 1989) in this manner his decision to take off his gloves in his verbal struggle with Ge'ula Kohen: "She has shouted, wailed, smoked, and spit, and

now she is making bowel movements. She has stool-soiled clothes." Maybe in Yosi Sarid there also lurks a hidden motive for this choice of a world of imagery, but he also is requested to pause for a moment and to ponder the significance of the words that he chooses and their contribution to the pollution of the environment.

By the way, in the same article, Sarid also settles an account with Rabbi Levinger. And—surprise, surprise—he also uses sick terms to describe his attitude to the man. Sarid termed Levinger as someone "the touch of whose hand soils and contaminates me," and "I must vaccinate myself anew every day, lest I become ill, against Levinger and his murderousness."

On hot summer nights, this difficult country is in need of substantial evidence for its claim to be an outpost of the world of Western culture. A little British humor, a little American generosity, a little Swedish reserve. It's suffocating and painful enough here even without the poison gas shells (what a metaphor!) that several politicians are raining upon our heads.

#### First Female Arab Judge Sworn In

44230169a Tel Aviv MA'ARIV  
in Hebrew 19 Jul 89 p 11

[Article by Me'ir Har'euveini: "'Ey'ada Sa'ad—The First Female Arab Judge"]

[Text] 'Ey'ada Sa'ad, a 39-year-old Nazareth-born attorney, is the first Arab woman in Israel to be appointed a judge. She was appointed this week as judge of the Nazareth Traffic Court.

'Ey'ada, married and the mother of two sons and a daughter, controlled her excitement over the historic appointment. At a hotel in Tiberias, where she is participating in a seminar for the state's attorneys, she was willing to speak only about her family, her studies, and her legal career since she completed her law studies in 1972 at the Hebrew University of Jerusalem.

She was born into a large Christian family which is involved in the family construction-materials firm in Nazareth. No one in the family had studied law. Ey'ada graduated from the Baptist high school and afterwards from the municipal high school, and began her studies at the university in 1967. She served her apprenticeship in the Nazareth Magistrate's Court, under the now deceased Judge Elias Katili, and afterwards in the Nazareth District Attorney's bureau. She began to work in a law office in Nazareth, and in 1978 entered the Northern District Attorney's office in Nazareth.

#### Political Crisis Hits Union Leadership

44230168 Tel Aviv HA'ARETZ  
in Hebrew 19 Jul 89 p 11

[Article by Avi Shubert: "Sharon, Tzedaka, and Now Pekelman"]

[Text] The difficult crisis of Hevrat Ha'ovdim, which is reflected in the business results of its component companies—Koor, Hasneh, Solel Boneh, and Ti'us—is making things very difficult for the secretary general of the Histadrut. Yisrael Keysar is now preparing for the contest over the Histadrut, which will be held in November. Therefore, he is attempting in the few remaining months until the elections to implement changes through his "A New Move in the Histadrut" plan. Within this framework, he is looking for a candidate to replace Dani Rosolio, the secretary of Hevrat Ha'ovdim. Keysar himself will give up his position as chairman of Hevrat Ha'ovdim in favor of an outside candidate.

He has so far approached four candidates for the position of chairman. The first one was Dr Emmanuel Sharon, who had been director general of the Ministry of Finance during the economic stabilization plan of 1985. Before that, he had headed the Israel branch of Control Data and had filled positions in the State Revenue Administration. Sharon was not eager to take on the job, and he announced that his appointment would not be realistic because his contract with the World Bank would end only in January.

The second candidate was Prof Ephraim Tzedaka, who now serves as chairman of the Board of Directors of Shikun 'Ovdim. Tzedaka is considered to be close to Keysar, who gets him onto every public committee on economic and tax matters. Tzedaka refused the offer, saying that he was satisfied with his present position.

Afterwards the job was offered to Prof Eytan Bergeles, the chairman of Bank Hapo'alim. Professor Bergeles also serves as a lecturer at Tel Aviv University and was Budget Director in the mid-70's. He also turned down the offer.

#### For Separation

The fourth candidate is Prof Dov Pekelman, also of Tel Aviv University. He is seen as a serious candidate. Pekelman is a professor of marketing, and is a graduate of the University of Chicago. He is one of Milton Friedman's students, a fact that he took pains to mention lately, thereby causing an immediate blowup—even before he entered the position. Pekelman is a member of the Board of Directors of Koor, and is the owner of a marketing consulting firm.

The proposal to appoint Pekelman encountered criticism in the Histadrut, following his comments that the trade union and Hevrat Ha'ovdim should be separated completely. He even presented this as a condition, in a difficult conversation with Keysar a week ago on Wednesday. At the end of that conversation, Pekelman announced that he would not take on the job, but Keysar took the trouble to announce that the last word had not yet been spoken and that Pekelman might become the chairman of Hevrat Ha'ovdim.

The secretary general of the Histadrut understands that, given the difficult situation of Hevrat Ha'ovdim, it will be difficult for him to find a candidate of stature. This fact forces Keysar to leave the door open for Professor Pekelman. He is continuing in his efforts to find another candidate, but it is clear to him that anyone who takes on the position will demand independence.

#### To Break an Historical Obligation

Various factors in the Histadrut and Hevrat Ha'ovdim spoke out last week against Keysar's intention to carry out organizational changes in Hevrat Ha'ovdim, reflected in the establishing of a headquarters that would act solely on the basis of economic considerations. But Keysar wants to put an end to his job as chairman of Hevrat Ha'ovdim and, in that way, to reduce his responsibility for what goes on within it. This will also make it easier for him to break the historical obligation to place a representative of the TAKAM [United Kibbutz Movement] as secretary of Hevrat Ha'ovdim, a position that was held in recent years by Dani Rosolio, whose functioning had been criticized sharply.

Many blame Rosolio for the difficult situation of Hevrat Ha'ovdim, for not having taken any measures in the last few years to reverse the dangerous trends in its operations. It's been clear for months that he is about to leave the position. He recently told his close associates that he had already received a work assignment as a teacher in Kibbutz Kabri's school, beginning in September. It may be assumed that the conclusion of his incumbency before the Histadrut elections was done under pressure from Keysar, who wanted to carry out a change that would ease the sorry picture emerging from the situation of Hevrat Ha'ovdim.

#### An Infuriating Proposal

Keysar made his proposal for changes in the structure of Hevrat Ha'ovdim recently at a meeting of the Histadrut Central Committee. As part of the proposal, he announced that he would no longer serve as chairman. As mentioned above, the changes include the establishing of a headquarters under a professional person, who would be a member of the Central Committee and act together with his headquarters as a support unit to the bureau of the Histadrut Secretary General. The proposal aroused complaints from various factors inside and outside Hevrat Ha'ovdim. Many argue that an absolute separation is necessary between Hevrat Ha'ovdim and the trade union.

Gad Ya'aqobi, the minister of communications, says that before any changes are made in the structure of Hevrat Ha'ovdim, they must first be discussed thoroughly.

Yosi Beilin, the assistant finance minister, says that substantial changes have long been necessary in the structure of Hevrat Ha'ovdim, but that the arrogance of its chiefs, who were not willing to accept suggestions or even to discuss them, was what had brought about the

difficult situation. According to him, Hevrat Ha'ovdim should be changed into a holding company, with no more than a 49 percent interest in any of its subsidiaries. If the latter have profits, Hevrat Ha'ovdim must invest them for the workers' benefit.

In one way or another, many blame Hevrat Ha'ovdim's difficult situation on the fact that for many years its chiefs did not have the ability to make decisions, for better or worse. Today, a professional person should head it and try to save what still can be saved. It's doubtful that such a person can be found who would be willing to take on the position. And even if such a person were found, it's doubtful that he would receive the support of all the factors involved.

### **Banking CEOs Discuss Ownership Issues**

44000678 Jerusalem THE JERUSALEM POST  
in English 8 Sep 89 p 13

[Text] Even while the struggle over the future ownership of Israel's major banking groups is becoming more intense, far-reaching changes are taking place in the kind of business they do, at home and abroad, in banking "proper" and in other financial services. Pinhas Landau hears from the CEO [Chief Executive Officer]s of the two local giants, Hapo'alim and Le'umi, about the problems and issues facing them, and what solutions they envisage. Despite their being in the same business, he finds that the differences between them are often greater than the similarities.

### **Hapo'alim: Why Big Is Beautiful**

When Finance Minister Shim'on Peres visited Bank Hapo'alim's headquarters a couple of weeks ago, the bank's top brass pulled out all the stops to show him how strong, successful and dynamic the bank is.

Peres, and the phalanx of aides and journalists who accompanied him, were treated to a comprehensive review of the progress Hapo'alim has made in recent years in entrenching itself as the dominant bank in the local market: from the end of 1986 through mid-1989, Hapo'alim's own share of all the credit extended by the banking system grew from 42.4 percent to 43.6 percent, while that of the whole Hapo'alim group amounted to 45 percent. In deposits, the increase was more dynamic, from 25 percent to 27.7 percent of the whole market, and in unlinked shekel deposits, from 28.2 percent to 31.7 percent. In the area of mutual fund management, the Hapo'alim group's funds jumped from a meagre 24.7 percent of the market to 30 percent in the last two-and-a-half years. In terms of total balance-sheet assets, the group has climbed from 34.8 percent at the end of 1985 to 38.4 percent by March 1989.

Other figures fired at Peres, and subsequently published, sought to prove the Hapo'alim is far more efficient, in operating terms, than its rivals, and even that its economic department's monthly forecasts of the upcoming consumer price index have proven remarkably accurate.

Underlying all these figures were two messages, one hammered home explicitly and one left unsaid, at least at gala public occasions.

The open aspect of what Hapo'alim has been doing these last few years was put to Peres by the man who formulated the strategy and has been in charge of implementing it, 'Amiram Sivan.

He defined the main aim of the bank's policy as being to diversify the kinds of business it does, and the kinds of people and firms that form its customer base. This is being done through a process of controlled aggression that is probably unmatched by any major corporation in the Israeli economy in recent years, and is certainly unique in the crumbling Histadrut economic empire, of which Hapo'alim is now the only growing sector.

[Boxed item] 'There will not be any abandoning of the Histadrut enterprises' [end boxed item]

The main domestic aspect of this policy has been the bank's breakthrough in the sectors of small- and medium-sized enterprises (SMEs), among the self-employed, and into the higher-income households. To do it, the bank has totally reversed the centralized managerial structure that previously characterized it, and has devolved considerable authority to area and branch managers, thereby allowing them to make decisions regarding how much to lend to whom, and on what terms. It has also invested enormous resources in improving its information technology systems, making them as good as, or better than, those of its rivals.

Furthermore, Hapo'alim has accepted that the future of the branch system lies mainly in its ability to attract customers and sell them financial products, rather than in simply processing everyday transactions—which can now be done more cheaply and more efficiently by customers themselves using on-line computer terminals in and outside branches.

This has led the bank to develop an overall approach to advisory services, whereby the customer's overall demand for financial services, from current and savings accounts through to investments, loan requirements and foreign currency transactions, are viewed as a whole, rather than as separate items. Of course, other banks have moved in the same direction; Hapo'alim has simply moved further, faster and more effectively. The proof is in the figures cited above.

Another area of expansion has been everything to do with foreign currency and overseas operations. Hapo'alim has made a determined effort to build up its deposit base of free foreign currency accounts (Patah) and to attract a larger share of the billions held by recipients of German restitution payments. It has become much more active in international banking, actively seeking participation in loans made by banking

consortia in Europe and the U.S., and pushing its overseas units to become more deeply involved in the local economies of the countries and cities where they are situated.

These are the processes that Sivan has initiated and pursued since his appointment to Hapo'alim's top executive post in May 1986. The result has been, as he emphasized in a recent interview with THE JERUSALEM POST, that "in a period of recession, as in the bosom that preceded it, Bank Hapo'alim is growing both in absolute terms, and in terms of market share."

But, in the quiet of his third-floor, corner office in Hapo'alim's squat Rothschild Boulevard head office building in Tel Aviv, Sivan makes no attempt to gloss over the aspect of the bank's policy that it prefers, for obvious reasons, not to trumpet in public—that the diversification and growth policy is necessary in order to arrest, reverse and correct the dangerous over-concentration of the bank's activities in the Histadrut sector of the economy.

He stresses that there cannot, and will not be, any abandoning of Histadrut-owned enterprises that are deeply in debt to Hapo'alim. This is unthinkable, given the bank's role within the Histadrut economy, and would make very little business sense either. Instead, the solution must be to gradually reduce the proportion of their loans provided to Histadrut enterprises by Hapo'alim, while at the same time increasing as rapidly as possible the amount of business the bank does with non-Histadrut sectors, both at home and abroad. Hence all the trends outlined above.

The collapse of numerous big firms in, or affiliated to, the Histadrut sector has inevitably required Hapo'alim to write off bad debts on a scale unprecedented (indeed, unthinkable until a few years ago) in the Israeli economy. The cumulative amount of provisions over the last two-and-a-half years has been a mind-boggling NIS 1,757 million in current values—say \$900 m. This is almost as much as the bank's total capital means today, which amount to NIS 1,950 m. Yet the fact is that its inflation-adjusted capital has grown by NIS 200 m. in this period, despite the massive provisions made.

This, to Sivan, is the crucial measure that determines whether his strategy is working ("I check myself again and again, and we check each other—are we doing the right thing, and is it working?"), because without the profits that the expansion has generated, the write-offs would be impossible to bear and the bank would be forced to shrink rather than grow.

Thus, the fact that last year Hapo'alim was forced to show a loss of NIS 59 m., because of the impact of the crises at Koor and the kibbutzim, is less significant than the fact that the bank could absorb the NIS 1 billion in provisions that it made, without making a severe hole in its capital base. This was achieved because Hapo'alim generated over NIS 2 b. in income and succeeded in keeping its costs under control as well.

When we point out to the Hapo'alim CEO that in a previous interview a year earlier he outlined the same approach, he gives a resigned shrug.

"I know I keep saying the same thing. I tell our people, in internal meetings and strategy sessions, that I haven't got anything novel to reveal, that the strategy direction is still valid and that we have to pursue it. I'm not going to invent new things to say or do, just for the sake of it. If it's right—and the figures show it is—then even if it's boring to hear it over again, that's what there is to say."

That's fair enough, so long as the results support it. The final test of Sivan's strategy will probably come in 1990, when the economy should be in a recovery mode, but commercial banks' profit margins will be much lower than they were in the previous round of economic expansion, in 1986/87.

#### Le'umi: Getting the Act Together

Just about the only similarity between Bank Le'umi and Bank Hapo'alim is the idea that the range of activities that each bank is involved in is undergoing major changes. Beyond that, the details of what is changing, why and how, are all quite different.

Shim'on Peres, by the way, has not been to Bank Le'umi of late. Le'umi's chairman, Moshe Sanbar, has been a frequent visitor to the Treasury, but that has to do with the vexed issues of ownership of Le'umi and its subsidiary, Union Bank.

THE POST went to Le'umi to hear about operations, not ownership, and although the interview with Le'umi's CEO, David Friedman—who also happens to be Union's chairman and former CEO—inevitably touched on the ownership imbroglio, its focus was firmly on the bank's business, not the bank as a business opportunity.

Like their banks, Friedman and Sivan have little in common, especially since Friedman was only appointed at the end of last year and is therefore unable to look back and assess the consistent application of a single policy. But both men share an encouraging readiness to get to the point rather than try to avoid it.

Thus, Friedman makes no bones about defining what he sees as the two main problems of Bank Le'umi: to create new sources of income, and to reduce the excess manpower that hangs like a millstone round its neck, both weighing it down and threatening to strangle it when it seeks to shake it off.

By "creating new sources of income," Friedman explains, he means the need to break the mould of Israeli banks' overwhelming dependence on financial intermediation—in plain language, taking deposits and making loans—for their business. The time has come, he believes, for them to join the mainstream development of Western banking and broaden the scope of their activities to encompass a much wider gamut of financial services.

He believes further that Le'umi is the best placed of all the Israeli banks to lead this development, given its balanced involvement in all sectors of the local economy, and its dominant position vis-a-vis Diaspora Jewry, both through its extensive overseas network and as the largest recipient of Patah deposits. Having himself served as head of Le'umi's New York subsidiary and as manager of the international division, Friedman brings to his post an all-round awareness of and exposure to the trends in both domestic and international banking that none of the current top-ranking Israeli bankers can match.

The trend to lower returns on old-style borrowing and lending will continue to shrink, Friedman says. The first, and most obvious way to offset this is by boosting income from fees and commissions and, indeed, Le'umi did this better than any other bank in the first half of this year. But, he notes, the Israeli public has become used to receiving banking services for next to nothing, if not completely free. His claim that banking charges in Israel are absurdly low by world standards is—however reluctant we consumers are to admit it—entirely true, and the inevitable conclusion is that these must be allowed to rise sharply in real terms to make up the backlog caused by years of price controls.

But this is standard stuff. Where Friedman is ready to break new ground is in his strategy of activating the many billions of dollars sitting in Bank Le'umi, both in Israel and abroad, in foreign-currency accounts. This will see the bank develop "private banking" services on a much larger scale than the very limited initiatives of Israeli banks to date in this burgeoning field of banking activity.

The essence of private banking is to provide sophisticated counselling, trading and portfolio management services to well-heeled customers, to enable their money to generate higher returns for them than it would by merely garnering interest on deposit. Happily, the buoyant capital markets have proved able to achieve this aim for them, while providing these services has enabled the banks to develop a whole new areas of operations.

Of course, these kind of up-market services require personnel with higher skill levels and much more training, but Le'umi has been preparing the ground for some time and feels ready to move from experimentation to large-scale implementation.

In fact, as Friedman notes, "this is nothing new for us. It's no more than what Bank Le'umi (Switzerland) has been doing for many years, to the point that that bank's balance sheet (of some SF 600 m.), is only a fraction of the size of the portfolios it manages." Now the whole group will move strongly into off-balance sheet activities, and in an integrated manner, because another of Friedman's new ideas is to get Le'umi to work as a group, instead of as a bunch of independent units.

This is especially relevant in international banking. The bank has become more involved in lending abroad, as foreign regulators have forced its subsidiaries to reduce

their exposure to Israeli borrowers. But the various units will now be encouraged to offer loans they organize or participate in to other members of the group, thereby strengthening the clout of the group as a whole and enabling the smaller subsidiaries to service larger clients than they would otherwise be able to do.

At home too, Friedman is determined to bring Le'umi up to date with world banking trends by developing insurance as a product to be sold through bank branches. The Le'umi group already owns Migdal, the country's leading life insurance company, and is therefore better placed than any other bank to make the attempt to break down the wall between the insurance and banking sectors.

Predictably, the bank has run into regulatory problems, with the Insurance Commissioner at the Treasury unhappy about the idea, although the Supervisor of Banks is more favourably disposed. If and when Le'umi gets the green light, a major change in the financial services sector will be at hand.

But all these processes will take years to reach fruition, even if they fulfil the hopes of their supporters. In the meantime, Le'umi is faced with a banking sector in which competition is increasing in every area, and in which profit margins are shrinking rapidly. Although its own performance was very strong in the first half of this year, in terms of generating more income, it continued to be marred by the upward march of its expenses, of which salaries are by far the dominant item.

Hence the need to reduce labour costs, primarily by shedding staff. No one at Le'umi even bothers any more to try and deny that this is the bank's great bugbear, but no one has yet been able to crack the hard kernel of resistance of Le'umi's powerful, and highly protected, staff committees.

But Friedman is quietly optimistic on this front, too. Although he is unwilling to discuss specifics, since he is in the midst of tough and tense negotiations with his unions, he stresses that there is a growing understanding in the bank that "efficiency," both in the narrow sense of cutting staff and in the wider one of concentrating human resources on generating more income, is the order of the day.

To get staff to agree to this change, Friedman is adopting a carrot-and-stick approach: he has said repeatedly that he cannot pay real wage increases this year; but he has offered to share equally any savings made through a redundancy programme by distributing half the wages saved as increases for those who remain.

He is also working on a voluntary early-retirement programme, which he hopes will persuade many of the bank's excess workers to get out, and get paid for doing so. Behind this offer is the threat—unspoken but well understood—that those who don't go voluntarily now may well find themselves being fired later, especially if there is a change in ownership.

The coming weeks are crucial for Friedman, for Bank Le'umi, and for the whole banking system, because all the banks' wage deals are derived from that reached at Le'umi. The stakes have never been higher. Le'umi has weathered the recession and the bad debts of the last few years. It has a much stronger financial base than any other bank, and hence has the clout to develop new services and wrest back the number one position from Hapo'alim. But to do that, it must first set its own house in order by getting its expenses under control and its labour relations on a smooth basis. Otherwise, its prospects are bleak.

**East Bank Palestinian State Reexamined**  
*44000650 Jerusalem THE JERUSALEM POST  
in English 21 Aug 89 p 4*

[Article by Shlomo Avineri, professor of political science at the Hebrew University, former director general at the Ministry of Foreign Affairs]

[Text] Ever since the Six Day War, Jordan has been the linchpin of the moderate strategy of those in Israel looking for a partner for a territorial compromise over the West Bank and Gaza. For anyone who was not interested in continuing Israeli control over 1.5 million Palestinians and was not ready, at the same time, to negotiate with the PLO, King Husayn was the obvious partner for eventual negotiations. The "Jordanian option" has been the battle-cry of the Labour Party—both against annexationists from the right as well as against extreme left positions advocating an independent Palestinian state in the West Bank and the Gaza Strip.

The time may have arrived for this position to be re-examined.

In the last two years, three developments have occurred in the triangular relationship Israel/Palestinians/Jordan which may call for a radical re-assessment. They are:

- The intifadah and the realization that Israel has no military or "law-and-order" solution for it;
- The changes—regardless whether they are fundamental or merely tactical—in the PLO posture vis-a-vis Israel;
- Last but not least, King Husayn's decision to sever the political and administrative links to the West Bank.

So long as Husayn considered the West Bank an integral part of the Hashemite Kingdom of Jordan, there was a political and strategic logic, on the part of Israeli moderates, to view the king as a possible future partner. There was a similar logic in Israel shielding the king, diplomatically as well as strategically, during the PLO uprising of September 1970. On the level of daily life, the open bridges on the Jordan river were a clear indication of the ramifications of this policy. From time to time one could hear voices in Israel (especially on the right wing) expressing doubt whether the king is really interested in getting the West Bank back: but to anyone following the

inner logic of the king's never publicized but equally never denied meetings with Israeli leaders, there was no doubt in his continued interest in regaining the West Bank—perhaps not immediately, but in due course and when the conditions for regaining it would not spell his own downfall.

When the king cut off [as printed] his links with the West Bank, those in Israel who put their hopes in him were deeply disappointed.

On the internal political level there is no doubt that the king's move, a few months before the Israeli elections of 1988, when Labour was touting its "Jordanian option," did not help Labour. It could even be said that the king sealed Shimon Peres's fate not to become Israel's prime minister.

For Labour to continue to believe in the viability of a Jordanian option appears increasingly to be a denial of reality. Moreover, the illusion that some sort of Jordanian option still exists helps nourish a wholly unrealistic policy within the Labour Party and among its associates. It is also a substitute for thought and initiative.

At present, the king is a stumbling-block to the peace process. If he ever had any trumps up his sleeve, he divested himself of them with his decision to dissociate himself from the West Bank. The time has come for Israelis looking for partners for a territorial compromise to imagine a Middle East without Husayn.

Let us imagine the following: King Husayn disappears from the political arena, and with him, the role of the Hashemite dynasty comes to an end. The Palestinians—nay, even the PLO—take over Jordan; Yassar 'Arafat becomes the president of the United Democratic and Progressive Arab Republic of Palestine and Jordan (which, presumably, will be its name).

On the face of it, this is a threatening scenario. On the other hand, it may also be the fulfilment of the hidden wishes of some Israeli hawks, such as Ari'el Sharon, who have always maintained that "Jordan is Palestine" and therefore Israel, according to their lights, should retain Judaea, Samaria and Gaza.

But cannot such a development of a "Palestinization" of Jordan have other consequences? For example:

- The PLO will no longer be a glorified national liberation movement. It will become a state, somewhere between Kuwait and Bahrain in the Arab pecking-order (minus the oil);
- 'Arafat, rather than being the globe-trotting diplomat, will have to worry about the minute economic, social and political problems of the citizens of his country;
- 'Arafat will have to develop a pragmatic policy towards Israel, responding to real and practical challenges: should he keep the Jordan bridges open? Should he allow imports from the West Bank? Should he continue to keep the border with Israel quiet as it has been under Husayn?

All these will be difficult decisions, requiring finesse and subtlety. They will also make 'Arafat practically dependent on Israel in many spheres, and he will have to count on Israeli decisions and responses.

Suddenly, the rhetoric of an oppressed people will be transformed into the responsibility of power. This is bound to give Israel considerable leverage over 'Arafat.

And last but not least: the conflict between two states (Israel and Palestine-Jordan) over where their border should be. Should the West Bank and Gaza remain under Israel control, or should it become a part of the State of Palestine-Jordan? over where their border should be. Should the West Bank and Gaza remain under Israel control, or should it become a part of the State of Palestine-Jordan?

The issues of legitimacy, recognition and sovereignty, with all their conflicting claims, which make the resolution of the Israeli-Palestinian conflict so difficult at present, will be transformed into the much less charged issue of borders and practical arrangements on the ground.

There are obvious dangers in such a development. Let us mention only a few:

- Fundamentalist Islamic groups, perhaps allied with Iran, might seize such a Palestinian Jordan;
- Syrian forces might intervene, or an "Eastern Front" might be reestablished;
- In Israel itself, such a development might play into the hands of the right-wing "Israel is Palestine" ideology.

With regard to the first two dangers, Israel would appear to be strong enough to offer a viable deterrent by indicating clearly that such development might mean a crossing of a "red line." As for the third, which is an internal one, it would be the political burden of the Israeli moderates to make clear that the Palestinization of Jordan opened up an opportunity, did not close an option. For the left, it would be much easier to advocate negotiations with such a state than with the PLO in Tunis.

This scenario is offered as food for thought, as a thesis for further discussion. Certainly I am not advocating any Israeli step of any kind that might bring about such developments.

But the present impasse in the peace process, and the utter inability of Labour to come up with political alternatives, makes it incumbent upon those who look for compromise solutions to begin thinking about what until now has been the unthinkable.

The ossification of political thinking on the part of the Israeli left plays into the hands of those who are interested in the indefinite continuation of the status quo, and supports the policies of the Likud. Merely reiterating

positions—such as "the Jordanian option"—which are no longer viable is not an answer to the present cul-de-sac.

## JORDAN

### ACC Awqaf Ministers To Confront Subversive Ideologies

44000649 Amman JORDAN TIMES  
in English 20 Aug 89 p 3

[Text] Amman (J.T.)—Ministers of Awqaf and Islamic Affairs in the four-member Arab Cooperation Council (ACC) countries have agreed to confront ideologies considered subversive and dangerous to Islam, and decided to carry out a strategy to fend off external dangers directed against the Islamic faith, Minister of Awqaf and Islamic Affairs Dr 'Abd-al-'Aziz al-Khayyat said Saturday.

The ministers decided to confront and deal firmly with subversive ideologies and extremist sects, including al-Batiniyah (a school of thought in Islam, characterised by divining a hidden, secret meaning in the revealed texts), which poses a great danger to the Islamic World, the minister said in a statement upon returning from Baghdad where the ministers of Awqaf and Islamic Affairs of Jordan, Iraq, Egypt and North Yemen met to discuss joining forces to promote Islamic teachings and coordinate their countries' efforts in religious affairs.

According to al-Khayyat, al-Batiniyah has already spread in North Africa, East Asia, the Soviet Union and Islamic centres. He stressed that this is a dangerous sect designed to undermine the existing Islamic systems in the world "because their advocates are linked to conspiracies concocted by the enemies of Islam and bent on implementing colonial plans."

Al-Khayyat's statement echoed a similar warning by Iraqi Minister of Islamic Affairs 'Abdullah Fadil who also called on his colleague to draw up a joint strategy to counter Iranian-backed Islamic fundamentalist movements.

"We are duty bound to work together to counter devious, extremist and destructive trends and prevent their members from influencing the religious arena," Fadil said at the meeting in Baghdad.

Fadil also urged his colleagues to work against pro-Iranian movements in Lebanon, which, he described, as anti-Islam and anti-Arab.

According to al-Khayyat, the four ministers have adopted a plan to expose what he termed as "evil sects" and decided to set up a joint standing committee to work in this field.

He said that the four ministers agreed to recruit qualified youths "to confront and foil conspiracies and strive to present Islam in its true image."

Agreement was also reached on unifying the four countries' stands at all international and Islamic conferences and to coordinate their steps when publishing Islamic books, exchanging publications, preserving Islamic manuscripts, and safeguarding Islamic archaeological sites, especially in Jerusalem, al-Khayyat added.

Agreement was also reached on unifying legislations concerning the work of ministries of Islamic Affairs, and working out plans for cultural and religious occasions, as well as taking part in a major celebration marking the Prophet Muhammad's birthday in Cairo, the minister said.

He said that the four countries will coordinate their religious programmes and will cooperate in Waqf investments and pilgrimage affairs.

Al-Khayyat said in a later statement that copies of the Holy Koran have been shipped to Muslims in the Soviet Union as a gift from His Majesty King Husayn.

The gift, sent upon the request of religious institutions in the Soviet Union, consists of 100,000 copies of the Koran, but only 30,000 were dispatched in the first consignment, the minister pointed out.

## LEBANON

### Possible Scenario for Crisis Resolution Presented

44040540 London AL-HAWADITH  
in Arabic 1 Aug 89 p 9

[Text] A few days before the Arab tripartite ministerial committee announced that it has reached a "dead end" in its mission to settle the Lebanese situation, Algerian Ambassador to Lebanon Khalid al-Hasnawi visited Speaker of the Chamber of Deputies Husayn al-Husayni. Asked by a journalist regarding his opinion in the claim that the Arab committee has failed, the ambassador laughed like he was never seen laughing before by journalists. He denied such possibility with a diplomatic language which, in journalistic terms, meant ridiculing such an evaluation of the committee's works.

Leadership sources see the committee statement in fact a surprise and a shock to everybody. Some of the sources, including Prime Minister Salim al-Huss, did not believe the statement. Well-informed political sources believe that "the tripartite ministerial committee's statement is merely part of the method adopted in this effort and not a statement announcing the death of the entire Arab action."

In justifying this belief, the sources point to the frankness that characterized the statement, which makes it more a means of pressure than of ending the mission that requires another diplomatic method and a different framework.

For this reason these sources believe that the Arab move is bound to be resumed after the frank statement is

digested. This could be achieved by methods which might have already been agreed upon. These include:

- Holding a new meeting by the tripartite committee, which alone has the right to decide ending the Arab move, or announce that it has reached a dead end, or adopt new action methods.
- Calling for a new urgent Arab summit. Reliable parliamentary sources quote Egyptian Foreign Minister Dr 'Ismat 'Abd-al-Majid as saying that his country is prepared to call for a conference on Lebanon especially since President Husni Mubarak is "personally interested in the question of Lebanon and will spare no effort in this regard."

But the tripartite ministerial committee having announced that it has reached a dead end in its mission, what are the future possibilities of the situation in Lebanon in case the Arab move comes to a standstill?

Political sources have expressed to AL-HAWADITH their views on this future. They see it as facing three possibilities:

First is partitioning through internationalization. Accordingly, these sources believe that the Arab failure does not mean that foreign interest in the problem of Lebanon will cease. Some of the big powers might have obstructed the Arab solution by "placing obstacles" in its path or simply by withholding their "useful role of bringing pressure" on the parties. The aim of these powers is to take over the problem from the Arabs in order to reach the solution they planned for it and which they have carefully been seeking to implement since the beginning of events; that is to internationalize the problem after all Arab and internal efforts fail or having been caused to fail. These sources believe that "internationalization" on the basis of the existing situation in Lebanon does not mean "cantonization" or partitioning, because what is proposed in this regard is the stationing of an international observer force or an effective force to stop the war on the internal boundaries of the "ministates" most of which have become clearly defined and geographically, demographically, and militarily ready to declare their existence.

Second is the escalation of the violence of war. The sources see that the second alternative is the escalation of the current internal war will eventually lead to one of two possibilities: either the collapse of the Lebanese situation through continuous erosion to the point that the "groups" that are capable of organizing themselves within an entity that has nothing in common with the Lebanese state, except in some slogans, will do so; or the collapse of certain "red lines", which would make the price of reunification too high for the Lebanese to pay.

Third is an internal move. Some of the parties wager on the ray of hope they see in the talks between Speaker Husayn al-Husayni and Maronite Patriarch Nasrallah Sfayr in coordination with certain parliamentary quarters and most political parties.

The sources believe that the talks focus on three aspects, which are the same as those to which the tripartite ministerial committee's statement referred as a means to solve the Lebanese problem. These aspects are:

- The implementation of resolution 425 in the south and the possible effect this will have in neutralizing the Israeli factor in the development of the Lebanese crisis.
- The framework of future relations between Lebanon and Syria.
- The limits and extent of the desired reform, and the relation between this and the implementation of constitutional provisions, or what is now being described by certain quarters as the stage of "Lebanese-Lebanese reconciliation."

Speaker al-Husayni believes that talks with Patriarch Sfayr and a number of religious quarters and political leadership have made significant progress in this field. Speaker al-Husayni believes that the importance of these talks does not lie only in the results they may achieve, but in the Lebanese shouldering the responsibility put on them to resolve the crisis of their homeland, for the holding of such contacts and talks is a must regardless of their outcome.

Leading parliamentary sources close to the patriarch said that Bkirki [the patriarchal seat] views "very seriously" the talks Patriarch Sfayr is having with Speaker al-Husayni, especially after the deputies have asserted their willingness to go along with any solution acceptable to the patriarch. The sources say that the patriarch will indefinitely stay in al-Diman this summer until the contacts and talks are completed and will go back to Bkirki only after they are completed.

According to the same sources, discussions are dealing with a number of proposals for the desired reconciliation, which include:

- Keeping the possibility of holding a parliamentary session outside Lebanon open.
- Holding a Christian-Muslim meeting in al-Diman or in Bkirki in order to adopt a unified stand toward the outcome of Sfayr-al-Husayni talks while a meeting is simultaneously held in the residence of Speaker al-Husayni for the same purpose.
- Holding a "mixed" plenary parliamentary meeting in al-Diman.
- Setting up a parliamentary or parliamentary-political committee representing all parties without exception, including General Michel 'Awn, in order to resolve certain outstanding problems between Beirut and Damascus and to discuss the establishment of a "firm security truce" that would enable the movement of parliamentarians for a limited period of time not exceeding one week.

The question being asked here is: Will the "Lebanese-Lebanese reconciliation", in case it is accomplished, be able to overcome the regional and international barriers that prevent resolving the Lebanese crisis?

Political and parliamentary sources have expressed their doubts as to whether those active in this field will be allowed to continue what they have started. Yet, they believe that the adoption of "bold, responsible, and unified stands" could lead to some though not all the positive results affecting the Lebanese situation in general. Those active in this field, the sources point out, have their international and Arab standing and friendships. Although the Lebanese crisis, according to Algerian Ambassador Khalid al-Hasnawi, calls for a solution in three sphere—the international, the regional, and the local spheres—the success of Lebanese-Lebanese reconciliation would mean removing the Lebanese sphere from the three spheres and thus one third of the problem will be removed, thereby positively influencing the two other spheres.

Therefore, the political, parliamentary, and diplomatic sources believe that following the tripartite committee statement the situation in Lebanon is open to all possibilities. Although most of these possibilities are not in the interest of the Lebanese state, entity, peace, and prosperity, yet some of them are. The Lebanese hope that the ministerial tripartite committee's statement is merely a means of pressure so that the Arabs will resume their move to play the desired role in bringing together the three spheres of the resolution: the international, the Arab, and the Lebanese.

## MOROCCO

### King Hasan Favors Quiet Diplomacy in Polisario Case

45040488a London AL-TADAMUN  
in Arabic 21 Aug 89 p 14

[Article by Tawfiq Jazulit: "Quiet Diplomacy Is Theme for the Day; Has the Countdown to a Settlement of Western Sahara Problem Started?"]

[Text] The Western Sahara question took a new and sensitive turn after Omar Hadrami, one of the founders of the Polisario Front, returned to Morocco. Mr Hadrami, who represents the Polisario in North America, returned to Morocco in response to an appeal made by the king of Morocco in an address he delivered on 9 November last year in which he called upon all those with good intentions to return to Morocco.

It is worth noting that the problem of the western Sahara is the most complicated or the most dangerous problem the Arab Maghreb has known. The western Sahara is a natural extension of the southern part of Morocco, the northern part of Mauritania, and the western part of Algeria. While its important strategic location links the countries of the Arab Maghreb together, its geographic location makes it the decisive factor in the Great Arab Maghreb plan.

The restoration of relations between Morocco and Algeria last year provided the actual and practical

impetus for bringing an end to the Sahara problem, and changing the general parameters of Morocco's policies whose vigor was restored, and whose positions became compatible in the face of the inception of plans to establish strong foundations for building the unity of the Maghreb. A dialogue to find a natural and a just way out for the question of the Sahara continued after a bitter struggle on the diplomatic and military fronts, which lasted for more than a decade. That struggle had a definite effect on the economic, political, and social path of the countries of the Maghreb.

The psychological barrier between the parties in question had to be removed, and it was in this context that the king of Morocco met with a Polisario delegation. Despite the total secrecy which surrounded the two meetings in Marrakech, it was generally believed that the aim of establishing a federation like that in the Federal Republic of Germany was to give the desert regions the independence to manage their own affairs in accordance with their traditions and customs. Along with that independence, these desert regions would be given broad authorities and powers. It was also believed that the meetings were held to reach agreement on a referendum, and the measures that would be employed to conduct it.

Observers think that the rapprochement between Algeria and Morocco, and their conviction that conditions are not available for the establishment of a "closed Saharan state within borders inherited from colonialism" will have an effect on the political and diplomatic position of the Polisario. It is known that successive developments in the Arab Maghreb diminished the diplomatic power which the Polisario had enjoyed during the seventies. The Polisario's proposals for establishing a Saharan republic lost their credibility with international public opinion, and some Saharan leaders decided to reconsider their revolutionary policies which were waning with the passage of time and the emergence of facts.

Omar Hadrami's wishes to settle permanently in Morocco may raise many questions about the Polisario's future and the conviction of its leaders that they should continue their demands for the Western Sahara. Omar Hadrami's real name is 'Ali al-'Azmi, and he was born in 1949 in Basa [as published] in Guelmim Prefecture in south Morocco. He received his elementary education in Bouergarn [as published], his preparatory education in Agadir, and his university education in Rabat. He was one of the first fighters in the Sahara Liberation Front which called for the return of the Sahara to Morocco. The Sahara Liberation Front awakened the national feelings of the Sahara's population and helped formulate the idea of organizing a new connection. This idea was enthusiastically adopted by a number of Sahara natives who were students in Rabat. Chief among those was El Ouali Mustapha Ould Sayed, a student at the College of Arts, who formed the nucleus of the Polisario and came to be known later as the organization's founder and theoretician.

After intense communication with the National Association for Moroccan Students, with the leader Allal el-Fasi, president of the Istiqlal Party, and with Abderrahim Bouabid, one of the leaders of the National Association of Popular Forces, El Ouali Mustapha Sayed, the first secretary general for the Polisario, decided that he would write a political memorandum outlining his convictions, his national affiliation with Morocco, and his belief that the Sahara had to be liberated. In this memorandum El Ouali says, "In this neutral and peaceful area, the succession of countries, the struggle for power, and internecine tribal fighting led to increased emigration. In most times the area had close ties with the existing power in Morocco, and these governments often exercised the powers of the central government over area residents, especially in times of war. During those times, the area residents were drafted to fight for the central government in Morocco. Thus, it may be said that the area was a Moroccan province like other provinces in Morocco."

In his memorandum El Ouali also emphasized the historic and legal relationship between Morocco and the Western Sahara, considering the latter a strategic area in the conflict between colonialist countries which have been competing with each other over the Maghreb. El Ouali made a point of referring to the population of the Western Sahara as a people, without focusing on their Moroccan character. Observers think that this ambiguity is both a tactical approach, whose purpose is to rely on Saharan capabilities in a decisive confrontation with the Spanish plan, and a strategic approach, guaranteeing that the Sahara continue to be part of the Maghreb's national history. This was what El Ouali had delineated in his memorandum which later turned out to be the Polisario's first political document.

The fact that the countries of the Arab Maghreb have become involved in conflicts prescribed for them by their own interests and by regional and geo-political interests as well has undoubtedly upset the equation and turned the tactics in the Polisario's program into a strategy. The characteristics of the seventies and early eighties became evident, distinguishing themselves by bitter struggles on the military and diplomatic front in the face of Morocco's insistence on the principle of territorial unity and its rejection of any initiative or mediation effort calling for the establishment of a Saharan state.

Omar Hadrami's return to Morocco cannot be considered a fortunate coincidence, especially when we know that he held several positions in the Polisario. From 1973 to 1974 he was a member of the Political Office. Then he became a member of the Executive Committee before becoming the official responsible for managing the refugee camps in Tindouf, Algeria in 1976. Between 1977 and 1980 he held the position of official in charge of foreign relations. It was in that capacity that he conducted difficult negotiations with some European countries, chiefly France and Spain. Recently, he was a member of the Polisario delegation which was received

at the United Nations in connection with the commendable efforts of UN Secretary General Javier Perez de Cuellar in conjunction with the Organization for African Unity. It seems now that quiet diplomacy is the theme of the day in Morocco. The Moroccans are using quiet diplomacy in their effort to conduct one-on-one or bilateral meetings with leaders of the Polisario Front to persuade them to return to the motherland as long as the territorial unity of Morocco remains historically inevitable and non-debatable as well as non-negotiable. In this regard several Polisario leaders did return to Morocco. They include Dr Khalihananna Maalainine, who is now the governor of Safi Province; Dr Baydallah, who is a member of parliament and a member of the Democratic Party's Political Office; and Ramadan Ould el-Nas, who is an administrative officer affiliated with Morocco's Ministry of the Interior.

There is no doubt that quiet and purposeful Arab diplomacy is beginning to yield results in the context of the international detente which opened those doors that could be opened. Algeria's positive position after Morocco accepted the principle of a referendum, makes it likely that Algeria will push for a final solution to the complex problem of partitioning the Arab Maghreb.

#### **Controversy Erupts With Hadrami Return**

45040488b London AL-MAJALLAH  
in Arabic 29 Aug 89 p 9

[Article: "Disputes Within Polisario Behind Hadrami's Return to Morocco"]

[Text] Observers in Rabat described the return to Morocco of Omar Hadrami, one of the Polisario's founders, as a natural result of the psychological and military frustration with which the ranks of this front have been afflicted. Signs of this frustration became evident at the Polisario's seventh conference, which was held last October. The conference revealed internal divisions within the Polisario which reflected the change that had occurred in the previous government. The divisions were reflected by conflicting statements made by front officials and, most recently, by the return of one of the Polisario's founders to Morocco. Observers found that to be the final blow to the Polisario's credibility.

Hadrami, who represented the Polisario in North America, was living in Washington. During the first week of August this year, he returned from that city to Rabat, stating that his return was in response to an appeal made by King Hasan II, the king of Morocco. The king had delivered an address on 6 November last year calling upon the people with good intentions to return to Morocco.

Hadrami had been relieved of his responsibilities in the front a long time ago, before the seventh conference of the Political Office was convened. Another prominent member of the front, Abdelkadir Talib, had also been relieved of his responsibilities. Sahara officials explained the removal of the two men by saying that it was the

result of what was considered "improper conduct" and "grave mistakes" made by the two men. No reference was made to what this "conduct" and what these "mistakes" were.

Observers think that the Polisario, which used to rely on its diplomatic "victories," has fewer such "victories" it can count on in the face of what is happening in Morocco. This may prompt the front to act quickly to drop its old conditions for conducting a referendum, requiring the withdrawal of the Moroccan army from the Sahara before the referendum is held.

#### **Rights Organizations Protest Destruction of Slums**

45190144 Paris LE MONDE in French 14 Sep 89 p 7

[Unattributed report: "Protest Against 'Inhumane' Destruction of Slums"]

[Text] Rabat, (AFP)—Tuesday, 12 September two Moroccan human rights organizations condemned the "inhumane and illegal" conditions under which, according to them, destruction of Moroccan slums are carried out. According to the coordination commission for the Moroccan League for the Defense of Human Rights (LMDH, close to the nationalist opposition party, Istiqlal) and the Moroccan Association for Human Rights (AMDH, Progressive), "In some regions these operations assumed the aspect of an organized racket because of the depravity of some representatives of authority."

The two organizations refer to the campaign against unhealthful housing undertaken by the authorities, particularly in the provinces of Sale and in Kenitra (north of Rabat). They emphasize that the bulldozers began to raze certain buildings, along the main routes and railroads, without making "any distinction between housing and commercial and agricultural establishments, between zinc huts and permanent structures."

These organizations claim that the slum inhabitants were not informed in advance and that, without alternative housing, they were without shelter. According to the opposition press, confrontations occurred on several occasions between persons expelled and police forces, who made dozens of arrests.

The Moroccan Government had undertaken a campaign in the 1970's against ramshackle housing by developing land for rehousing occupants of shacks of plank and corrugated iron, and providing them with financial assistance.

Tangible results were obtained despite the slowness of the administration and the inertia of the poor, who preferred to convert the benefits obtained from the state into cash and rebuild their makeshift shacks in the areas that had, however, been destined to be destroyed. But

the rural exodus provoked by the drought of the 1980's, and the economic crisis reduced all the efforts to nothing.

Furthermore, the two Moroccan human rights organizations claim four prisoners, met with "a questionable death" during the month of August. According to them, Larbi Charai, an artisan over than 60 years old, died 27 August in the premises of the police of Sidi Slimane, 100 kilometers northwest of Rabat, "after having been tortured." He had been accused of having participated in demonstrations by villagers against "the illegitimate destruction of their dwellings," the communique explained.

Another artisan, Abderrahim Ben Khalifa, died under the same circumstances on 25 August.

Finally, and still according to the communique, Aabde-slam Ouahhab, a 28-year-old fisherman, died 10 August in the premises of the Larache police.

#### Industrial Investment Statistics

45040488c London AL-MAJALLAH  
in Arabic 29 Aug 89 p 44

[Article: "Nineteen Percent Increase in Industrial Investments in Morocco"]

[Text] The Ministry of Trade and Industry approved 2.585 billion dirhams in investments during the past 5 months of this year, realizing thereby a 19-percent increase in investments over the same period last year. According to official statistics, 42 percent of these investments were made in the textiles and leather sector, 21.7 percent in the chemical industry sector, and 19.4 percent in the cultivation of food crops.

The Ministry of Trade and Industry approved 182 projects this year during the month of May. This means that in May, it approved 20 more projects than it did in the preceding month, and 47 more projects than it did during the month of May last year.

The total value of all these investments during the month of May was 475 million dirhams. This figure represents a 47 percent decline, compared with the previous month.

These investments required hard currency expenditures which amounted to 313 million dirhams. Compared with the previous month, this is a 38 percent decline. In May, these investments led to the creation of 5,196 jobs. Compared with the previous month, that figure represents a 4-percent increase in the number of jobs created; it represents a 50-percent increase over the number of jobs created during the same month last year.

The contribution made by Moroccan investors to these various operations represents 80 percent of these investments. Foreign investors contributed 19 percent, and the state-run public sector contributed no more than 1 percent.

The amount of foreign investments which were approved during the month of May is 89 million dirhams: 65 percent of this amount came from French investors; 10 percent came from Syrian investors; and 9 percent came from investors in Luxembourg. The sum of 83 million dirhams in hard currency has been earmarked for these investments.

#### OMAN

##### Minister of Agriculture and Fisheries Interviewed

44040555b Muscat 'UMAN in Arabic 8 Jul 89 pp 3, 14

[Interview with Minister of Agriculture and Fisheries Shaykh Muhammad Bin-'Abdullah Bin-Zahir al-Hana'i by 'Abdullah Bin-Hamad al-Miskari; first paragraph is 'UMAN introduction; date and place not given]

[Excerpts] [passage omitted] 'UMAN had an interview with Shaykh Muhammad Bin-'Abdullah Bin-Zahir al-Hana'i, Minister of Agriculture and Fisheries, who kindly talked to us about the new projects being carried out by the ministry in the fields of water supply, agriculture, and animal and fish wealth.

[Al-Miskari] Water is an important element, and for this reason the government is interested in searching for new water resources. Your ministry is also interested in building dams for subterranean feeding in the conventional manner. What are your plans to build more feeding dams in the future and to repair and maintain ditches and wells? What about the present cooperation between your ministry and other governmental institutions specialized in this field?

[Al-Hana'i] The Sultanate of Oman is a hot and dry region. Agricultural lands in the fertile plains below the mountains or in the northern and southern part of the country depend on subterranean water for irrigation. The water is used in one of the following manners:

- Conventional irrigation through ditches.
- Hand-operated wells.
- Mechanical wells.

In view of the citizens' increasing demand for land in order to develop it agriculturally, there has been increasing demand for the drilling of mechanical wells in farms. This had a great effect on the critical equilibrium [of the water level]. The increase in new wells has led to increasing water pumping, which in turn affects the water resources.

For this reasons the ministry has laid down plans aimed at developing and increasing water resources, preventing the waste of water resources, ensuring water supplies to farms, and exploring the possibility of future expansions

by planting new areas to be added to the existing agricultural area. This is to be realized by working in the following fields simultaneously:

- Building a number of feeding dams to boost the subterranean water reservoir.
- To develop and maintain the conventional (ditches) system.
- To maintain the agricultural wells in order to prevent wasting water.

In order to achieve this, the Ministry of Agriculture and Fisheries is utilizing the most up-to-date technology, whether during the stages of study, or construction of subterranean feeding dams, with the aim of achieving maximum benefit possible while preserving the environment around the project by implementing maximum safety operations with the least possible expense. For example, the initial selection of the locations of subterranean feeding dams is done on the basis of modern aerial photography, which reduces the time spent on topographical studies of the prospection areas and, therefore, reduces costs.

The ministry also uses modern computer-prepared mathematical models to study the hydrological balance of the various wadis. This also applies to the engineering calculations of dams and the compilation of various technical data and information related to project studies.

Also, the engineering designs of the subterranean feeding dams are prepared according to the most up-to-date world technology and suitable for the purpose for which they are intended. During construction stages, materials available at the project's site that are to be used in the project, undergo quality tests according to the most up-to-date methods, both with respect to type and quality, in order to insure that they conform with international specifications.

Also hydrological control of dams is carried out with the most up-to-date methods and scientific equipment to ensure their effectiveness and safety.

It is worth noting here that there are several means, methods, and substitutes for the achievement of the engineering objectives of any installation. We always seek to select the most up-to-date methods suitable for our conditions.

For this reason the ministry adopts everything new and studies it carefully, thoroughly, and in depth, so that our choice of technology will be based on its compatibility with our conditions and needs.

The ministry's plan aims at building a number of dams in order to develop and boost water resources. The preliminary study the ministry carried out has shown that the average rain water quantities suitable for agricultural use wasted in the sea from rainfall on al-Batinah area is estimated at 48 million cubic meters annually, in the eastern area about 17 million cubic meters, and in Salalah area 15 million cubic meters.

In other words, a total of 80 million cubic meters of water is wasted in the sea annually. The ministry's plan to build subterranean feeding dams in the areas in question aims at storing 65 to 75 percent of the wasted waters, thus bringing the total water quantity to be gained after the ambitious plan is completed to about 56 million cubic meters in the areas inclined toward the sea.

In the areas inclined toward the desert, the estimates indicate that an average of 68 million cubic meters of rain falling on the Omani hinterland, and 63 million cubic meters of rain falling on al-Dhahirah area, is wasted annually. After the subterranean feedings dams are built, God willing, it is expected that 45 to 55 percent of the wasted water will be stored. In other words, the total quantity of waters expected to be gained would reach an average of 65 million cubic meters annually.

Therefore, the quantity of water expected to be gained after the subterranean feeding dam projects are completed and which are now the subject of study—in all totalling 61 dams scattered in most of the wadis in the Sultanate—is estimated at 121 million cubic meters annually. This is expected to meet agricultural needs and allow development in order to realize food self-sufficiency in the coming years. God willing.

With regard to the future plan relating to the maintenance of ditches and wells, this project is part of the programs and projects now being carried out. The maintenance of ditches and wells is an ongoing operation and is carried out according to available resources. Cooperation and coordination between the ministry and the other government institutions in the field of preserving these vital resources that are the backbone of the agricultural wealth is continuing.

[Al-Miskari] What are the programs and projects the ministry is undertaking in the field of agriculture during the second agricultural year?

[Al-Hana'i] His Exalted Majesty Sultan Qabus Bin Sa'id's two noble deeds, the first dedicating 1988 as the year of agriculture, and the second extending it another year to include all the 1989 activities, underscore the importance of agriculture as a vital sector of the country's economy and a basic source of food and clothing, ensuring food security for the citizens. During the first agricultural year the ministry concentrated on certain projects and programs that aimed at developing and expanding agriculture in the country.

The ministry continued to implement these projects during the current year in addition to some new projects and programs that are being carried out for the first time:

1. The pioneering project to multiply and develop the local goat. This has been implemented at 305 farms in certain parts of the country. Under this project, modern goat barns have been built free of charge for goat breeders. They have also each been given 10 local goats of excellent quality free of charge. This is in return for introducing modern irrigation systems into their farms to irrigate two to three feddans to be planted with fodder and grains. The Bank of Oman for Agriculture and Fisheries offers easy loans to the farmers in order to

contribute to promoting this system, which aims at rationalizing water consumption and increasing agricultural crops.

A program for guidance and advice on the principles of modern breeding for those participating in the project is being carried out. The application results have shown great success in this field. There is no better proof than the fact that the number of goats distributed to the farmers has doubled only 6 months from the date of implementation. This will lead to an abundance in red meat.

2. The agricultural collectives project. This aims at accelerating agricultural development in order to achieve an abundance in food and to diversify the sources of income through increasing productivity by intensifying guidance given to those participating in the project, totalling 2,500 farmers in various parts of the Sultanate. It is also by supporting their efforts and encouraging them to carry on with agricultural work by providing them with subsidized agricultural implements and introducing modern agricultural technology in the various fields of agricultural production.

This is in addition to promoting highly effective and good quality varieties, (whose successful planting in the Sultanate climate has been proven by scientific research), following proper agricultural procedures, and introducing modern agricultural technology in the various stages of agricultural production.

Modern irrigation systems that rationalize water consumption and provide water for plantations in order to increase their productivity have also been introduced.

The results of implementing the agricultural collectives project have been reflected in the rise of agricultural crop per area unit, which is known as vertical expansion.

The project has also led to increasing the areas planted with fruits, vegetables, and field crops.

3. Introduction of modern irrigation. During the first agricultural year (1988) modern irrigation systems were introduced in 250 farms in all the Sultanate's areas. The ministry is seeking to introduce these systems in view of their many benefits, which are:

- Rationalizing of water consumption, given that water is a vital source for agricultural development.
- Providing plants with their actual water requirements at the appropriate time, thus increasing productivity and facilitating fertilizing the soil by dissolving the fertilizer in the irrigation water.
- Reducing the growth of grass and, consequently, reducing the spread of diseases.
- Facilitating the carrying out of agricultural works.
- Reducing water pumping time or the quantity of water used.
- Reducing the employment of manpower.
- Economizing energy consumption by reducing the daily pumping hours.

Guidance seminars are held in order to demonstrate the importance of introducing these systems and how to use them and maintain them. Financing for this purpose is provided by offering easy loans through the Oman Agricultural and Fisheries Bank. These efforts had a great effect on propagating the use of modern irrigation systems on a large scale in the various parts of the Sultanate. The ministry is still continuing its efforts in this field in order to promote their use by the farmers throughout the country. [passage omitted]

4. Agricultural exhibitions program. In view of the success of the International Omani Agriculture and Fisheries Exhibition and the exhibitions held in the various agricultural areas last year, a plan has been made to establish agricultural exhibitions in various areas throughout the second agricultural year. Under this plan, three agricultural exhibitions have been set up so far in the eastern area, the Oman interior, and north al-Batinah.

This year's activities include establishing the remaining exhibitions in the various agricultural areas.

5. Program for the development of bee breeding. The program aims at developing bee breeding in order to increase honey production and expand the establishment of apiaries in the Sultanate's areas. The ministry last year established three government apiaries in north al-Batinah and south al-Batinah and two in the Oman interior. In addition, it has assigned a technical unit qualified to carry out technical work and give advice and guidance as to the best methods of breeding honey bees. Some 200 beehives have been distributed to 43 farmers in the areas in question, and 250 additional beehives will be distributed during this year. Also, three other apiaries will be set up in other parts of the sultanate.

[Al-Miskari] Animal wealth and poultry projects have become widespread in the country. The goat breeding and multiplying project was popular among the farmers. What about the new animal wealth projects? How does your ministry evaluate the goat breeding and multiplying project?

[Al-Hana'i] The goat breeding and multiplying project was a great success, and the number of goats has increased remarkably as a result of the breeders being convinced of the importance of the assistance the ministry provides by building modern barns free-of-charge, in addition to giving goats free-of-charge, and expanding health care programs and implementing an immunization program.

In view of the success the ministry has seen in this field, it has drawn up plans to implement similar projects for the development of local resources. Among these pioneering projects is one for the building of model chicken sheds for farmers entitled to participate in them; another is for locating breeders and those interested in this kind of animal production and supporting them with advice and guidance that would make chicken breeding a pioneering project with economic returns, and would

become an example for other breeders to follow in their farms. A project for the adoption of artificial insemination system for cows is currently under consideration. One of the benefits of this project is to improve the output of local cows and increase their productivity.

The ministry continues to make efforts in the animal production fields by offering services for the treatment of animals through veterinary clinics located throughout the country. This is in addition to immunization against contagious and epidemic diseases and giving advice to breeders on the best way for breeding, caring, and health feeding of animals, with the aim of increasing and improving their production and its returns.

[Al-Miskari] What progress has been made in the project for model villages for fishermen?

[Al-Hana'i] The ministry has prepared the technical specifications for consultative studies in order to prepare the main plan for the model fishermen villages. The committee concerned is studying these specifications from the environmental and technical angles with the ministries and authorities concerned.

These efforts are in response to the noble directives of His Exalted Majesty, Sultan Qabus Bin-Sa'id, may God preserve him.

### **Minister Interviewed on Future of Farming**

44000677a Muscat *TIMES OF OMAN*  
in English 24 Aug 89 pp 1, 3

[Text] The latest technology is being harnessed in a significant way in the Sultanate to modernise the traditional agricultural sector and increase food production.

The Ministry of Agriculture and Fisheries has drawn up plans to improve agricultural productivity and efficiency with the use of scientific methods to achieve self-sufficiency in food.

"Self-sufficiency is a goal the Ministry is pursuing and gigantic efforts are being made in the direction with cooperation of all the technical sections in the Ministry." Shaykh Muhammad Bin-'Abdallah Bin-Zahir al-Hana'i, the Minister of Agriculture and Fisheries told the *TIMES*.

### **Productivity**

He said the Ministry hoped to improve the productivity levels through directly investing in agricultural projects and by educating and increasing the awareness of the farmers.

Giving details of programmes undertaken to directly increase the agricultural production, the Minister said these included construction of recharge dams, a soil categorisation survey, setting up an agro-industrial complex, development of the poultry industry and establishing production units for eggs and chicken by some farmers.

Giving details about the soil survey launched by the Ministry in cooperation with the Food and Agricultural Organisation, the Minister said: "The survey proposes to identify and categorise soil found in different part of the Sultanate to enable to specify the crops most suitable for the land and thus increase agricultural production in the most economic manner."

Disclosing a plan to set up agro-industrial complex in the country, the Minister said studies carried out had established the feasibility of such a venture.

"The agro-industrial complex will help expand the manufacturing of most agricultural produces, particularly those which exceed the local demand at the time of harvesting such as dates, lemon and tomatoes."

Recognising the need to increase domestic meat production to reduce dependence on imports and enable nationals to have more balanced diets the Ministry also plans to develop livestock, cattle and poultry industry using modern technology to achieve efficiency and productivity.

The Minister said that following the success of the goat-rearing project the Ministry planned to carry out a similar project for sheep. Under the goat-rearing project some 300 private model farms were set up for breeding goats in northern Oman in 1988.

### **Study**

Shaykh al-Hana'i said the Ministry had conducted a feasibility study and also determined the economical size for such industry.

Meanwhile the Ministry would continue giving attention to apiculture and establish Government bee-keeping centres as well as distribute foreign and local beehives and groups to farmers in various regions in the country. "As many as 250 such groups will be distributed during the next few months," the Minister added.

To provide financial and technical support, Shaykh al-Hana'i said: "The Ministry gives a large amount of the aid to the farmers and technicians from the Directorate-General of Agriculture provide supervision services for these projects and give them full care."

A major programme carried out by the Ministry, Shaykh al-Hana'i said, was the construction of recharge dams across major valleys in order to increase the ground water reserves and provide adequate irrigation waters, so essential for agriculture.

Besides these development programmes the Ministry also plans agricultural guidance to educate the farmers.

### **Methods**

Shaykh al-Hana'i said: "The Ministry is conducting consultancy studies to enhance the effectiveness of agricultural guidance and determining the best methods of guidance appropriate for farmers here."

The Ministry, he said, would also be staging a number of agricultural exhibitions in all the areas to establish interaction between the Ministry, farmers and other citizens as well as increase the awareness about the modern scientific techniques of production and means of optimum exploration of existing resources.

In the coming years Ministry would also be holding agricultural competitions among farmers and rewarding the winners to encourage friendly competitiveness and urge them to exert more efforts to improve production.

A number of informative programmes will be produced for different mass media, publicity campaign designed and guidance brochures will be prepared to achieve the goal of self sufficiency.

An important area where modern technology is being put to use effectively is irrigation. "The concentration is now on the development of modern techniques of irrigation to replace the traditional irrigation methods. This is being done to multiply production and economise the use of water."

The Minister said the introduction of the modern irrigation system had contributed to improvement in the level of productivity, considerably reduced the cost of production and saved labour to a large extent.

#### Sultanate's Trading Figures for 1988 Recorded

44000636d Muscat *TIMES OF OMAN*  
in English 20 Jul 89 p 7

[Text] Oman's non-oil trade with the other five member states of the Arab Gulf Co-operation council [AGCC] last year amounted to OR281 million. Imports accounted for OR195 million, while exports, including re-exports, fetched OR86 million.

The UAE [United Arab Emirates] continued to be the Sultanate's major partner with the total value of trade at OR249 million followed by Saudi Arabia (OR18.5 million); Kuwait (OR5.5 million); Bahrain (OR4.3 million) and Qatar (OR2.7 million).

The overall results, according to the latest issue of Central Bank of Oman publication "Al Markazi" were lower than their level in the corresponding period ended December 1987.

It added: "But then the decline in the Sultanate's volume of trade was not confined only to AGCC partners, external trade with other countries had also witnessed a vast decline of about 44 percent.

"Total Omani exports fell by about OR167 million from their 1987 levels while imports rose by about OR144 million," the magazine said.

Oman's total exports last year were OR1.296 million with oil accounting for OR1.141 million. The corresponding figures for 1987 were OR1.463 million and OR1.339 million, respectively.

Imports were up at OR900 million against OR756 million in 1987.

#### Expansion in Economic Activity Reported

44000679b Muscat *TIMES OF OMAN*  
in English 31 Aug 89 p 3

[Article by Meena Ganjvir]

[Text] The level of overall economic activity in the Sultanate saw an expansion during 1988 compared with the slowdown experienced in the previous two years, according to Central Bank of Oman annual report for 1988.

"Although the national account figures for 1988 have not yet been released, broad economic indicators point to a general rebound in business conditions," said the report.

The report said the recorded imports rose substantially during the year by about 20.7 percent compared with declines of 15.8 percent and 23.6 percent in 1986 and 1987 respectively.

The report, mainly a review of the country's economy in 1987, said the gross domestic product witnessed an appreciable recovery at current prices in 1987 after a slowdown in 1986. The slowdown of 1986 was triggered by a sharp fall in world crude oil prices. In 1987 the oil prices improved considerably leading to a 7.5 percent growth in nominal GDP [gross domestic product] to reach RO 3,009.4 million.

The oil production level was also moderately higher by 4.0 percent from an average daily production of 559.7 thousand barrels in 1986 to 582.2 thousand barrels.

"An overall rise of 32.9 percent in oil GDP was thus recorded in 1987 compared to a decline of 37.5 percent registered in 1986."

The non-oil sector on the other hand experienced a decline of 7.2 percent in 1987. However, there were significant increases registered in some of its sectors. "Value added of natural gas rose by 10.9 percent while that of the agricultural sector rose by 3.5 percent and that of the fishing sector rose substantially by 25.6 percent," the report said.

However, mining and quarrying registered a decline of 10.8 percent. According to broad classification, the report said, the overall industrial and services sectors registered considerable declines of 19.8 percent and 4.8 percent respectively.

The substantial decline in the industrial sector was largely in the construction sector which fell by almost 38 percent, it added.

But the manufacturing sector rose by 7.3 percent while oil refining rose significantly by 17.4 percent and water production rose substantially by 46.2 percent, the report stated.

Referring to the agricultural sector, the report stated that according to recent estimate by the Ministry of Agriculture and Fisheries the cultivated land has risen to total of 55,756 hectares in 1987/88. According to estimates area under cultivation has been growing at an average rate of 7.2 percent per annum during the five year period of 1983/84 to 1988/89.

Fruit crops form a large part of the area under cultivation, around 64 percent. Of the fruit crops dates account for the major portion of the area under cultivation. Other major fruit crops include limes, mangoes, bananas and coconut.

In fish, the report said, the Sultanate had become more than self sufficient as was evident from the fact that fish imports were very negligible while its exports had been growing considerably over the years. "Government efforts in promoting this sector seems to have been very fruitful. The quantity of fish landed have been increasing substantially." The total fish landed rose from 96.3 thousand metric tonnes in 1986 to 166.1 thousand metric tonnes in 1988.

The increase in the quantity of fish landed came from all regions. The largest increase however, the report said, was from Northern Sharqiyah, whose fish landing more than doubled in 1988 when it totalled 45.7 thousand metric tonnes compared to 1987 when it was 22.5 thousand metric tonnes.

Commenting on the non-oil manufacturing sector, the report said, it grew moderately by 7.5 percent in 1987 when its value added reached RO 101.4 million.

According to information available on industries registered with the Ministry of Commerce and Industry, there were 211 new entrants during 1987. Most of the new industrial establishments during the year were of non-metallic mineral products followed by fabricated metal products.

### PDO Year of Successes Highlighted

44000636a Muscat *TIMES OF OMAN*  
in English 10 Aug 89 p 3

[Text] Petroleum Development Oman [PDO]'s 1988 annual report to His Majesty Sultan Qabus, just released, chronicles another challenging year for the company.

Highlights of the year included a daily production average of 601,000 barrels a day—breaking the previous year's record of 571,000 barrels—and a total annual production of 220 million barrels.

It is the eighth year in succession the company has succeeded in increasing its average daily production.

Reserves also climbed to 4,109 million barrels at the year end, an improvement on the previous year when reserves stood at 4,075 million barrels.

During the year, the company's 50th field was brought on stream and by the year end the number of producing fields had risen to 57.

Omanisation was also tackled effectively with the launch of an enhanced programme that will double the number of Omani development trainees and scholars over the next five years.

All this has been achieved against a background of strict expenditure control that has ensured that the technical cost of producing each barrel of oil has continued to be kept as low as possible.

In his review of the year, Managing Director Mike Pink commented: "The challenges we faced in this very demanding year could not have been effectively met without the efforts of our staff in cutting out waste and developing innovative techniques to cut costs, for which they are to be commended."

### New Industrial Ventures Reported

44000675c Muscat *TIMES OF OMAN*  
in English 7 Sep 89 p 2

[Text] Statistics released by the Directorate-General of Industry at the Ministry of Commerce and Industry reveal that seven industrial licences and preliminary approvals were granted for new projects.

### Costs

The investment costs of these projects, in accordance with their economic feasibility reports, is O.R. 2,567,917.

One project which has been granted a licence is for expanding capacity of an existing project for the production of pasteurised milk in Barka' al-Haram area.

The size of the capacity added in the expansion is 45,000 litres of pasteurised milk.

The investment cost of expansion will be O.R. 36,352. Six projects have been given primary approval. Their total investment cost is O.R. 2,531,565.

The first for the slaughtering and refrigeration of poultry, will have a production capacity of 2,000,900 chickens and 348 tonnes of animal fodder every year. The investment cost of the project, to be carried out in Barka', will be O.R. 329,000.

The second project, to be launched in Qurum, will produce envelopes. Under the O.R. 140,000 venture, 13,900,000 envelopes will be produced every year.

The investment cost of the third project is O.R. 16,650. Under the plan, to be implemented in Fa'al in Nizwa', 600 aluminium doors and 750 windows will be produced annually.

The fourth project is also for producing letter covers in the Rusayl area. It will have an annual capacity of 13,900,000 envelopes at an investment cost of O.R. 140,000.

The fifth project will produce 20,000 tonnes of cooking gas annually at Rusayl Industrial Estate at an investment cost of O.R. 900,000.

The last project is for producing 200 doors and 100 windows of aluminium annually in al-Khaburah. The investment cost is O.R. 5,915.

#### Bookings

In addition to these, the Directorate General of Industry has made bookings for two new industrial projects.

Under the first, disposable plastic glasses and light refreshment packages will be produced.

The second project is for producing ready-made garments.

The projects are part of the Government's plan to encourage industrialisation aimed at reducing dependence on imports and ensuring the optimum use of local raw material. The projects will fulfil the requirements of the local market and provide employment opportunities for a large number of citizens.

#### Expatriates in Private Sector Discussed

44000675b Muscat *TIMES OF OMAN*  
in English 7 Sep 89 p 9

[Text] Over 32,000 expatriates joined the private sector in 1988 reversing the trend of the previous two years, according to the Central Bank of Oman annual report for 1988.

The total number of outstanding labour cards (excluding cancelled ones) during 1988 rose to 248,870 registering an increase of 15 percent over 216,388 in 1987, according to figures in the report. The foreign work force in the private sector reached its peak in 1985 when 274,984 worked in the country.

The report said this increase had come after two years of successive declines in the number of expatriates due to a slowdown in economic activity. "In 1986 the outstanding labour cards fell by 26,854 or by 9.8 percent and in 1987 it fell by 31,742 or by 12.8 percent."

On the salary structure of expatriates in this sector, the report said, there had not been a major change during the years and the majority received monthly salaries of O.R. 70 or less per month.

#### Salaries

Quoting figures released by the Ministry of Labour and Social Affairs 68 percent of the expatriate work force earn a monthly salary of up to O.R. 70.

In 1987 the figure stood at 70.3 percent. About 6.4 percent of the expatriate force earned above O.R. 200 and of this 3.1 percent earned more than O.R. 400 per month.

In the private sector construction continued to engage the largest number of 81,228 expatriates during the year followed by trade, restaurants and hotels with 79,256. While 20,016 expatriates were engaged in the agriculture and fishing, 13,468 were in manufacturing.

Regarding employment in the civil sector, the report said, data was available only up to end of 1987 when civil service employees totalled 72,260 of which about 59.5 percent or 42,977 were Omanis and the rest expatriates.

A 7.0 percent increase in the total number of civil service employees was registered in 1987. In 1986 the total was 67,550. The number of Omani workers went up by 2,754, while the expatriate work force increased by 1,956.

#### Gold, Platinum Finds Reported

44000676 Muscat *TIMES OF OMAN*  
in English 17 Aug 89 p 1

[Article by Oswald Pereira: "Gold and Platinum Finds"]

[Text] Gold and platinum have been discovered for the first time in Oman by the Ministry of Petroleum and Minerals.

"The encouraging finds in the mountains of Northern Oman offer new hope that deposits of economic value will be discovered," sources in the Ministry told the "Times".

"The gold and platinum have been found in the dark ophiolite rocks that make up a large part of the North Oman mountain range," the sources said.

"The Ministry is now drawing up plans for slowly exploiting the areas," the sources disclosed. Feasibility tests are being conducted.

"If the discoveries turn out to be of economic importance, it will justify the Ministry's optimism of Oman's potential for gold and platinum and other minerals."

At present, gold is extracted only as a by-product in copper mines. There is no extraction of platinum at all.

Besides gold and platinum, the Oman ophiolite is considered to be rich in copper, chromite, laterite and sulphides. According to latest indications, there is also the possibility of diamonds existing in Oman.

The Ministry of Petroleum and Minerals has drawn up plans to exploit the vast and as yet untapped deposits of various minerals.

Some of the minerals are already being exploited. But there was scope for further tapping of large deposits of

these minerals. Copper is located in the upper parts of the Oman ophiolite and the biggest chromite deposits in the Sultanate exist in the lower parts of the ophiolite.

Every year, one million tonnes of crude copper is being exploited in the Sohar mines which give 20,000 tonnes of refined copper. A new copper mine has been discovered in the 'Ibri area. So far, 8 million tonnes of copper reserves have been proven. The latest figure of known chromite deposits is 1.6 million tonnes.

Big reserves of laterite also exist in Oman. This is being exploited by cement companies in Oman.

The feasibility studies for gold and platinum will take two to three months to complete, after which the commercial viability of the new finds will be indicated.

### Rise in Value of Nonoil Exports Recorded

*44000675c Muscat TIMES OF OMAN  
in English 7 Sep 89 p 5*

[Article by Meena Ganjvir: "O.R. 24 Million Rise in Nonoil Exports"]

[Excerpt] Oman's non-oil exports registered a substantial increase while the revenue from oil exports fell in 1988, according to estimated figures released by the Central Bank of Oman [CBO].

Although total non-oil exports rose by O.R. 31 million the Sultanate's surplus trade balance during the year dropped by 44 percent from O.R. 707 million in 1987 to 396 million in 1988 due to the decline in revenues from oil exports and increase in imports, according to the CBO annual report for 1988.

While the oil export revenues in 1988, which account for a major portion of export revenues, fell by O.R. 198 million, largely due to a fall in oil prices, the imports of the country registered a rise of O.R. 144 million, as a result of higher economic activity in the Sultanate.

Despite substantial declines in oil exports receipts in 1988 it accounted for about 88 percent of the export Revenues, the report said, adding that most of the oil exports about 90 percent was to Asian countries.

Japan and the Republic of Korea increased their share to 50 and 25 percent respectively while Taiwan's fell from 10 to six percent. Oman also continued to export to other regular customers such as Singapore, Thailand and India while also commencing exports to China which bought 4.6 million barrels during the year.

Exports of non-oil Omani products looked up in 1988 and increased by O.R. 24 million to O.R. 62.9 million. Copper exports jumped substantially to O.R. 17.4 million registering an increase of 81.4 percent and fish exports rose by 60.2 percent from O.R. 11.8 million in 1987 to O.R. 18.9 million.

The report said that re-exports after having declined in 1986 to O.R. 85.0 million and staying the same in 1987 rose by 8.2 to O.R. 92.0 million in 1988.

Over 75 percent of re-exports are of machinery and transport equipment. About 55 percent of re-exports is to AGCC [Arab Gulf Corporation Council] countries. The major part of all is to the UAE [United Arab Emirates] which alone accounts for almost 50 percent of total re-exports, the report said.

### Imports

Recorded imports reached O.R. 846.5 million during 1988 representing an increase of O.R. 145.8 million or 20.8 percent. One third of recorded imports were of machinery and transport equipment. They accounted for O.R. 284.0 million which was 8.7 percent higher than the previous year.

Manufactured goods which accounted for more than one fifth of total recorded imports in 1988 registered the highest increase of O.R. 55.5 million or 43.6 percent as it reached O.R. 182.8 million. Imports of food and live animals recorded an increase of O.R. 15 million to reach O.R. 147.3 million.

### Firms Called To Cooperate on Omanization

*44000675d Muscat TIMES OF OMAN  
in English 7 Sep 89 p 5*

[Excerpt] The Government will resort to tough measure if the private sector does not co-operate with it in its Omanisation plans, a top labour official hinted last week.

"They are not fully co-operating with us now. They have to change their attitude and give more opportunities to Omanis," Deputy Director-General of Labour Ahmad Bin-Nasir al-Rahabi said.

He pointed out many skilled expatriates still held unskilled jobs despite a ban on the practice.

Mr al-Rahabi said: "Although we give labour clearance for bringing in only skilled workers in occupations where Omanis are not available, we know that many unskilled jobs in the private sector are held by skilled expatriate labour."

### Registered

He added that between 300 and 500 unskilled or semi-skilled and uneducated Omanis were currently looking for jobs. "They are officially registered with us and we are trying to find them jobs."

Mr al-Rahabi said to the best of the Government's knowledge all skilled Omanis were now employed.

But the exact number of unemployed secondary school graduates was not currently available, he added.

"For the past 19 years we have co-operated with the private sector. We have allowed them to recruit as many foreigners as they wanted. Now it is their turn to co-operate with us," Mr al-Rahabi said.

Answering a question, he said the Government had no plans at the moment to put any restrictions on hiring skilled expatriate workers.

Mr al-Rahabi said currently there were between 200,000 and 250,000 non-Omanis working in the Sultanate. He added he did not expect the number to fall substantially during the next three to four years.

### Subsidy for Farmers To Use Modern Irrigation System

44000636f Muscat *TIMES OF OMAN*  
in English 27 Jul 89 pp 1 & 14

[Article by Bala Menon]

[Text] The Government is to give subsidies amounting to nearly RO 7 million to farmers along the Batinah coast to help them adopt modern irrigation systems.

Details of the subsidy programme will be announced in the next few weeks, a spokesman of the National Committee for the Guidance of Water Use on the Batinah told the *TIMES* on Tuesday.

The Government's drive to introduce modern systems began when reports about a looming water crisis started coming in from the region and increasing salinity of water resulted in decreased productivity in several farms.

His Majesty Sultan Qabus issued a Royal Decree in March this year, setting up the national committee to work in close co-ordination with the newly-formed Public Authority for Water Resources [PAWR] to look at the problem and formulate effective water management policies.

The subsidy programme is part of a plan drawn up by the Council of Ministers to extend financial support to farmers who opt for new techniques.

At a press conference early this month, the Chairman of the Committee and His Majesty's Advisor for Economic Planning Affairs, Muhammad al-Zubayr said this support could come to nearly 70 percent of the total cost involved.

"Water is our most valuable resource and although recharge dams are being built under the aegis of the Ministry of Agriculture and Fisheries, it is important for us to see that the rate of extraction should not exceed the rate of renewal," the spokesman said.

The Government is now looking at rationalising the use of existing water and modern irrigation systems are considered the best way to save wastage by at least 50 percent. Apart from the subsidy programme for new

systems, the Batinah committee's plan includes proposals to stop distribution of new land for agriculture in the Batinah region and also putting an end to the digging of wells without permits.

The various agricultural extension centres of the Ministry of Agriculture and Fisheries will, also with assistance from the Food and Agriculture Organisation, fix the most suitable crop that can be grown in each area efficiently.

The plan also calls for development projects in the affected areas to be linked to the water situation and a general public awareness campaign on the need for water conservation.

"The PAWR is now in a position to expand its research role and to co-ordinate water resources surveys in different parts of the Sultanate," the spokesman added.

A major study, which will be completed by the end of the year, is also being launched to implement a pilot scheme in the affected region. The committee is also looking at legislation that will be effected to control water consumption, management and fair distribution.

"One of the major challenges facing Oman today is the provision of irrigation water for cultivable lands, with a view to achieving self-sufficiency. The problem is not easy to solve as it means great sacrifices from the farmers and we are now trying to make them aware that agricultural development and water conservation are linked together," the spokesman added.

### Regional Patent Office Planned

44000636e Muscat *TIMES OF OMAN*  
in English 27 Jul 89 pp 1 & 14

[Article by Meena Ganjvir]

[Text] The Government is planning to set up a regional patent office in coordination with the AGCC [Arab Gulf Corporation Council] countries, it was disclosed this week.

Mr Salim Bin-Nasir al-Ismaily, Managing Director of the Rusayl Industrial Estate Authority announced at the end of a seminar on Monday (see page 4) [not published]. "The Ministry of Commerce and Industry is planning to set up regional industrial property office in coordination with AGCC countries."

He said the Ministry had been for the past four years carrying out negotiations with the Gulf Countries and the World Intellectual Property Organisation [WIPO] regarding the setting up of a regional office.

The establishing of the regional industrial property office would imply the introduction of patent laws in the member countries.

A patent is a document, issued by a government office, which describes the invention and creates a legal situation in which the patented invention can normally only be exploited with the authorisation of the patentee. This protection of the invention is limited in time (generally 15 to 20 years).

About 150 countries in the world have the patent system but in the Gulf at present Saudi Arabia and Kuwait are the only nations to have patent laws. But most of the Gulf countries, including Oman, do have trademark laws, which are a part of industrial property laws.

Currently the AGCC countries are studying the draft law sent by WIPO and discussing among themselves the ways to establish this system," according to Dr Kamil Idris, Director Arab Bureau, WIPO.

#### Europe

However, it is understood that Oman has already sent its recommendations while others have still to do so.

Dr Idris said a regional industrial property office was not a new concept as there exist several industrial property offices in the world which have been constituted by, and serve, several countries of a given region. There is the European Patent Office [EPO], the African Intellectual Property Office [AIPO] and the African Regional Industrial Property Organisation.

The benefit of a regional office, he said, is that an applicant can get a patent in more than one country in the region with just one application. He does not have to apply to each country separately.

The EPO, for instance, grants patents with effect in those of its member states that the applicant designates in his application for what is called a "European Patent."

Besides this arrangement is more economical as it either makes the maintenance of national industrial property office superfluous, or make its maintenance much cheaper and simpler."

For instance the 13-member countries of the OAPI have no national industrial property offices but, in most of them, there is a very small government unit, consisting of one or two persons, which performs liaison services between the capital of the country and OAPI headquarters in Yaounde.

Dr Idris said setting up of patent system would facilitate the flow of goods and services as the technology is protected by patents.

#### Cards Provided for Employees in Private Sector

44000636b Muscat *TIMES OF OMAN*  
in English 10 Aug 89 pp 1 & 2

[Article by Meena Ganjvr]

[Text] The Ministry of Social Affairs and Labour will be issuing labour cards to all Omanis working in the private

sector, according to Ahmad Nasir al-Rihabi, Deputy director General of Labour, Ministry of Social Affairs and Labour.

The cards will be similar to those given to expatriate workers. The Omanis will keep the cards but will be asked to produce them when they return to the Ministry looking for new jobs.

The card, bearing the name of the employee, his company and his work, will enable the Ministry to know about the number of Omanis engaged in the private sector, the kind of work they are engaged in and also help the Ministry to check the high rate of turnover of Omanis in the private sector.

Speaking to the *TIMES* at the end of the quarterly meeting of the Rusayl Industrial Estate Authority [RIEA] and its tenants last Wednesday, the official said: "When an Omani comes back to us looking for a job we will not give him a job unless we know why he left his previous company. Since the company's name would be written on the labour card, we would get in touch with the company and find out the reason."

He said that at present if an Omani quits a job and goes to the Ministry he is not given another job for about six months to make him realise the value of the job.

While Omanis now being sent to private concerns have started getting cards those who have been with companies before the cards were introduced would get them after the Ministry has collected information from the companies.

In order to get the information the Ministry has launched a survey of manpower in the private sector and distributed Omani Employee Statistical Forms to companies.

At the meeting which was conducted by the Managing Director of RIEA Salim Bin-Nasir al-Ismaily, and attended by the Under Secretary of Social Affairs and Labour, Sayyid Hamid Bin-Hilal al-Busaidi, it was emphasised that the priority of the Ministry was Omanisation but not at the expense of efficiency and standards.

"There are certain areas where Omani expertise is lacking but in fields where Omani skill is available we expect them to be able to participate and be able to contribute to the development of the economy," the Under-Secretary said.

While the Government has been criticising the private sector for not maintaining a satisfactory pace of Omanisation, the private sector has been complaining about the unwillingness of some Omanis to remain and work in company.

At the meeting, which discussed this problem, it was pointed out by representatives of private enterprises that

they had failed to retain many of their Omani workers despite paying them more than their expatriate counterparts.

Mr M. Srinivasan, Chief Executive of the Oman Textile Mills said that although his company paid Omani trainees more than skilled expatriates it had not been able to hold them. He suggested that a national policy should be designed on what should be the wages of trainees.

Sayyid Hamid Bin-Hilal al-Busaidi pointed out that it was wrong to compare the salaries of expatriates with Omanis for various reasons including that the expatriate are given benefits like air fares and accommodation which Omanis are not.

The Government believes the problem is more complex and there are several factors, including poor incentives in the private sector as against Government and the feeling of isolation and alienation experienced by Omanis workers in companies which have largely expatriate labour.

The Deputy Director General of Labour pointed out: "While in other countries the private sector gives more salaries and incentives than the Government it is the reverse in Oman."

He later said if the companies want to retain their staff they should give them better incentives.

#### Selection

He said the selection of employees could be better if the companies give exact requirements, including the age of a worker needed, the kind of skill, educational level required and the area from where he should come.

However, Mr Salim Ismaily of RIEA said it would be wrong to expect the private sector to create the same incentives as the Government sector.

"Do you want Omanisation first in terms of micro economy of the country or industrialisation in terms of macro economy?"

The Under-Secretary said the Government was keen to solve this problem and needed the co-operation of private companies. He urged the companies to assist the Government in finding out the reasons.

#### Basic Plan for Water Systems Established

44040555a Muscat 'UMAN in Arabic 28 Jul 89 p 3

[Interview with 'Azzan Bin-Ahmad al-Shanfari, director general of the Directorate of Water and Transport, by 'Abdullah Bin-'Ali al-'Alyan; first paragraph is 'UMAN introduction; date and place not given]

[Excerpts] [Passage omitted] We had an interview with engineer 'Azzan bin Ahmad al-Shanfari, director general of the General Directorate of Water and Transport at the office of the Minister of State and the Wali of Dhofar,

during which he answered questions by 'UMAN concerning water projects, drilling of wells, the maintenance of water springs in the mountains of Dhofar, the water desalination plant in Khalkut, Omani technical expertise in the directorate, and studies concerning subterranean water in the plain of Salalah, as well as a host of other subjects. [passage omitted]

[Al-'Alyan] With regard to [water] projects, have the plans for this vital resource for the town of Salalah and the adjacent areas been completed in the light of the continuing annual expansion?

[Al-Shanfari] [passage omitted] Basic plans have been laid down to establish water networks in order to cope with demand up to the year 2,000. Initially, under the plans for the development of water resources several water wells have been drilled in the Salalah plain in order supply the town with water. An automatically controlled major central reservoir and major distribution lines have been built in order to provide water to residential areas and to industrial and commercial areas. A pipeline of particular importance was also built, namely that which supplies water to Raisut area, where the major port is located, in order to provide supplies to maritime services and to all transiting ships and ships calling at the port. Naturally, water is a vital commodity for all these ships while docked at the port.

With the expansion of the area of the town of Salalah and in view of the urban, industrial, and commercial development now taking place, plans have been laid with the aim of providing water to the consumer directly instead of transporting it by trucks as was previously the case. So this system has been replaced by the use of distribution networks based on the construction of underground pipes for water transport. This is on one hand. On the other, new water resources have been tapped in order to provide quantities sufficient for private consumption as well as for industrial and commercial consumption. It is, therefore, realized that all these operations need time and considerable funds to be carried out. The plans drawn out have taken this matter into consideration. Consequently, future needs and the expansion of the area have been studied. The necessary quantities of water needed and the necessary projects for building a network for the town have also been taken into account. These plans and projects will be carried out in stages during the 5-year plan. Thank God, we have been able during the past two plans to implement several projects, and during the current third 5-year plan which ends in 1990 projects under previous plans have been completed. If we take a quick look at the building of the Salalah water supply network in the second 5-year plan we would find that the project has cost 4,533,000 rial. This included the implementation of the following projects:

- The water reservoir in the town of al-Sa'adah.
- The water network in eastern, western, and central 'Awqad area.
- The al-Husaylah network.

- Central and west Salalah network.
- The new village network north of 'Awqad.
- The al-Shati' quarter network.
- The town of al-Sa'adah network (the first and second part).

During the current 5-year plan, water networks have been built south of al-Sa'adah village, in northern al-'Awqadayn area, and at the main pipeline (H) for the industrial area, plus the water networks in the newly planned areas.

In summary, we would like to state that the implementation of water projects for the town of Salalah is certainly an ongoing project; it is closely linked to urban and population expansion in the area. This matter is on the minds of all officials on all levels, since it is essential to provide water to meet the needs of the natural expansion of any developing area requiring modern services. Therefore, we believe that water projects will continue to be ongoing as long as there is need for water.

[Al-'Alyan] Which of the modern residential areas in the south has been expanding, like the town of al-Sa'adah? What about water projects in that area? Are any expansions expected in the current plan and future plans?

[Al-Shanfari] The town of al-Sa'adah is one of Salalah's suburbs; it is regarded as an extension of Salalah's population and urban expansion. Geographically it is a flat terrain with healthy climate suitable for building a residential town of beautiful nature. It is close to the mother town of Salalah and its vital utilities. It enjoys proximity to the utilities and calmness suitable for residential building. Therefore, when it was first thought to build this town, plans were of course laid for the construction of all the necessary utilities to build it. These included the provision of water. During the second plan, two important and basic projects were carried out. These were the provision of water and the building of the main water distribution network. Therefore, three production wells were drilled near the town in order to add the produced water to the general reservoir to meet the inhabitants' need. A main water transporting pipeline was also built. Then a distribution network was built on the basis of the planned residential area. The cost of the project in 1984 totaled 550,000 rial. Work on the water pipelines at this stage included building pipelines with a radius ranging between 250 mm and 100 mm and a total length of 23 Km. During 1984 a project for the building a concrete general reservoir was built with a capacity of 4,500 cubic meters, consisting of two chambers each with a capacity of 2,250 cubic meters. The project included distribution outlets, the administration building, workers' accommodation, a building for the electric generator, and a chlorine purification system and other necessary installations. This was followed by an expansion in the building of a network system to connect the water supply to residences.

During the current 5-year plan we find that expansion of residential areas has been going according to town planning. Planning of the area south of al-Sa'adah town has been completed. Therefore, the current project in our third 5-year plan is the water distribution network on which work is now underway. The work has been contracted to a specialized local company, namely al-Haddad and Sons Company. The cost of construction is half a million rial.

This project will enable us to achieve the objective of connecting the water supply to the residential area south of al-Sa'adah town. As for future plans, these will be confined to expanding the existing network in case development plans are agreed upon during the discussion of the fourth 5-year plan, which is currently under consideration by the authorities concerned. We hope that all that we desire from the projects aimed at serving the new town will, God willing, succeed.

[Al-'Alyan] What about the towns of Taqah, Mirbat, and Sadah? Will the water distribution network in these towns be completed, and what steps are being taken in order to deal with expansion of those towns?

[Al-Shanfari] All the projects in Taqah, Mirbat, and Sadah have been completed during the second 5-year plan. The total cost of the three projects was about 4.8 million rial. These projects have been implemented with the aim of providing fresh water to the citizens up to the year 2,000. Naturally, there is a difference in population expansion in those three towns. Therefore, we find that the present network in Sadah is adequate, while in the town of Mirbat and Taqah, population growth has forced the expansion of the existing networks that were built during the second 5-year plan. For example, the situation in the town of Mirbat has forced an expansion of the network system. For example, an additional reservoir of 1,200 cubic meter capacity costing 168,000 rial was built in order to boost the water supply to the expanded, 32 km long Mirbat network, which is now considered satisfactory in terms of the town's population density and the existing installations and buildings in it.

Naturally, the outlook with regard to the three towns—Mirbat, Taqah, and Sadah—for the coming years is quite different since, on the basis of the existing situation in all the Sultanate's areas, there is a great increase in urban development being carried out by the citizens, the establishments, and the government departments. This is a natural result of the comprehensive progress in all fields. Therefore, we as a directorate general responsible for water supply, must take all these matters into consideration. Therefore, the studies and proposals prepared for future plans include the implementation of several expansions in the water networks, not only in these towns but also in other towns in the southern area. We hope to be able to implement all that we aspire to so that these vital projects will succeed.

[Al-'Alyan] What is new about the present Sadah project, and will it satisfy the needs of that town and the nearby residential area for water for various purposes?

[Al-Shanfari] With regard to Sadah water project which was implemented in 1983 as part of the second 5-year plan projects, the fact is that, because of the nature of the terrain in these coastal areas, there is no water sufficiently sweet for consumption as drinking water for citizens. Therefore, comprehensive plans have been laid for the development of the town of Sadah which provide the essential services that would enable the establishment of modern living and create opportunities for launching of development projects in town. It was necessary therefore to provide basic services, including a water supply for the town. At that time, there was no ideal solution for the problem, such as providing the town with fresh water from an area that has such water. Such water did exist in the Lajji area where there is a natural source of water. Therefore, at the beginning a small rock dam was built from which a small pipeline was built to a point from which trucks would carry water to Sadah and the neighboring areas. Since this solution was unsatisfactory for meet modern requirements, a major water project for Sadah was launched. This included the building of a major reinforced concrete dam for Sadah in front of the water resource. This held 1,000 cubic meters of water behind it. A pipeline to carry the water to town was built. Also, a reservoir with 60,000 gallons capacity was built together with its auxiliary installations. In fact, in terms of population density in town, the quantity of water is considered adequate. The project also undertook to provide a water supply to the Jawfa area, which is 5 kilometers from Sadah, by connecting a pipeline to the town's pipeline. According to estimates, the quantity of water is sufficient for the town beyond the year 2,000, despite a natural problem that occurs during the summer when the spring water level drops a little during this time because of lack of feeding by rainwater in the fall season. But the level returns to normal during the remaining seasons of the year. Therefore, a project has been drawn up for the next plan, God willing, in order to obtain additional water resources and to expand the town's water network, as well as to supply other areas with water.

[Al-'Alyan] The Office of the Minister of State and the Wali of Dhofar and al-Hamah has plans for drilling artesian wells in the mountainous and remote areas in order to supply water to the citizens and their animals. How many wells have been drilled so far, what projects are being implemented, and what are the future projects for those areas?

[Al-Shanfari] Just as we are interested in providing water to the southern towns, we are greatly interested in the mountainous areas, in al-Najd, and in the coastal areas. It is a known fact that, in addition to the need to provide water to the citizens, it is also necessary to provide water for the other important source that is necessary for man's life—namely the animal wealth. This wealth enjoys the best climate in our southern areas on which God has

bestowed natural grazing grounds. Therefore, the royal directive of His Majesty the Sultan had a great impact on providing water to the citizens, and on developing animal wealth in these areas. It had a great effect on the establishment of many development projects that would provide water for the mountain, al-Najd, and the coastal area. Thank God, some 140 productive wells have been drilled up to the end of the second 5-year plan.

During the years 1971-77, 48 productive wells have been drilled, of which 17 are in the central area, four in the eastern area, 25 in al-Najd, and two in the coastal areas. These wells have met the needs of 32 locations in the mountain, al-Najd, and the coast during the period in question. This was followed by the development of some of the auxiliary installations of these wells, and the carrying out of some civil engineering works in order to build drinking troughs for the cattle, electric generators rooms, and water reservoirs with suitable capacity for every location, in order to insure the flow of water all day long. During the period 1978-80, an additional 45 productive wells were drilled, eight of which are in the western part of the mountain, eight in the eastern part, 15 in the central area of the mountain, 12 in al-Najd area, and two in the coastal area. These wells have served 38 locations. In 1981 drilling work on 47 productive wells was completed, of which seven were drilled with the exclusive effort of the Directorate General of Water and Transportation. In addition to these drilling operations, several other major projects were launched in order to complete the civil engineering works relating to the productive wells. These included building reservoirs, the construction of concrete buildings housing the projects' auxiliary equipment, the installation of water purification units, and building units housing power generators.

This was as far as the drilling of artesian wells during the earlier development plan went. As for the current 5-year plan, it was decided to drill 25 artesian wells in the mountain, in al-Najd, and on the coast, in four stages ending in 1990. In fact, the drilling of six wells has been completed and civil engineering work is being carried out in order to provide fresh water to the citizens and for other uses. Work on drilling six other wells began this year and it is hoped that work will begin on 11 other wells during 1990. In selecting the location of new wells, consideration was given to population density, the scarcity of water in certain areas, and the difficulty of bringing water to them from other areas.

With regard to future plans under the fourth 5-year plan that begins in 1991, we hope that approval will be given for the drilling of more than 35 productive wells in the mountain, al-Najd, and the coastal areas in order to provide water for the various areas, on the basis of priorities, of the condition of the area, and of population density as well as of the number of cattle heads, with the aim of developing and increasing animal wealth. [passage omitted]

[Al-'Alyan] What about water projects near Dhofar mountain? Has the Dalkut desalination plant met the citizens' and animals' need for fresh water in that area?

[Al-Shanfari] Since the beginning of implementing development projects in the southern area, the western area of Dhofar mountains saw many projects for artesian well drilling to provide water for the citizens and to develop the area in accordance with the government's plan to raise the living standard of all the Sultanate's areas. In past years, 14 productive wells were drilled in addition to drilling many exploratory wells in the area in which no sufficient quantities of subterranean water are available. The latter condition is due to earth formation and the mountains. In certain area this condition forced deep drilling to depths exceeding 1,000 meters in order to find fresh water. The problem also lies in the poor production of the existing wells which are sufficient only for drinking water. Therefore, during past years, a water transport ship, al-Rabat, was used in order to provide fresh water to the coastal towns in the western areas. This went on until water projects for Rakhyut and Dalkut towns were completed. With regard to the area in question, further subterranean studies are being carried out with the aim of exploring for new fresh water resources in order to meet the needs of all the citizens for a long and guaranteed period of time. We hope that this will be accomplished during the fourth plan, God willing.

With regard to desalination plant in Dalkut, it was the first method of its kind to obtain water in the area. It was built due to the demand for large quantities of water for the town and to the presence of the armed forces in the area. On the basis of the current operation and the quantities of water that can be produced daily, and which reach 500 cubic meters daily, it can be said that this plant is considered adequate to meet the needs of the town and the surrounding area for fresh water. This method can also be used in all the other areas where there is no subterranean water suitable for human and animal consumption, but the only draw back is the annual cost of operating and maintaining these plants in view of the costly equipment and material used for the Dalkut plant. This has reached 277,000 rial annually for operating at maximum capacity. This method of obtaining water is encouraging in an area where no other water resources exist.

One of the encouraging current solutions in the western area is that a study has been conducted on the natural water spring known as 'Ayn al-Mughayasil. It was found that by developing it, fresh water can be obtained to meet the needs of the citizens and their animals. Water extracted from this spring is equivalent to the production of five productive wells in other locations, something that is indeed encouraging. Matters are being coordinated with the quarters concerned in the area in order to put this into effect during the next plan, God willing. We hope that good will come out of this and the source will provide the needed quantities.

[Al-'Alyan] With regard to the subterranean water in Salalah, is there any danger to this water in view of the quantities consumed, the town expansion, and agricultural and other projects?

[Al-Shanfari] With regard to Salalah plain and the subterranean water, it cannot be said that there is any significant danger due to increasing consumption. Since the Directorate General of Water and Transportation began operating its projects, water extracted from the subterranean wells in Salalah plain has never dropped to a dangerous level so far. This, of course, means that the subterranean water basin in the plain is being constantly fed by the annual fall season water. With regard to determining the maximum quantities and duration, the Salalah plain is expected to continue to yield water. It is now the subject of study by the General Authority for Water Resources. The same applies to agricultural projects and to determining the sufficiency of water for such projects. Of course, the Directorate General of Water and Transportation submits to the authority and to the Ministry of Agriculture all survey data in this important field.

[Al-'Alyan] What about Omani technical expertise in geological work at the directorate? And how many experts are working with you as group specializing in this field?

[Al-Shanfari] For the directorate, geological work is of extreme importance because success in this field means that we discover a new water-producing resource. In the past the directorate depended on the expertise of specialized consultant companies that operated in the area. But then consideration was given to depending on the directorate's own efforts by creating a small technical unit for water exploration in the area. We have been encouraged in this by the appointment of an Omani geologist, namely Hamid Bin-Salim 'Ashur. As a result of the projects and the studies the directorate carried out during the past years, great benefit was obtained from practical expertise in the field of hydrology, which is the exploration of subterranean waters and accurately determining their location and, subsequently, the location of artesian wells. The exploration relies on two principal methods: first, the use of aerial maps and satellite photographs in order to define the location of subterranean basins. The second is the geophysical survey of the various areas in which a natural water reservoirs is expected to be found in the area, and determining the amount of annual feeding of these basins. [passage omitted]

#### Water Protection Plans Discussed

44000679a Muscat TIMES OF OMAN  
in English 31 Aug 89 p 4

[Article by Bala Menon]

[Text] A pilot water management scheme, worth RO 250,000, is to be taken up immediately in the Batinah region, it was decided at the fourth meeting of the

National Committee for the Guidance of Water Use on the Batinah held at Al Bustan Palace Hotel on Saturday.

The Chairman of the committee, Muhammad al-Zubayr, who is also Advisor to His Majesty on Economic Planning Affairs, told reporters after the meeting that the committee had allocated a total amount of RO 7 million to implement an emergency plan to deal with the water crunch in the region.

Salt water intrusion into underground aquifers was creating a major problem in some areas and the committee evaluated the measures taken to carry out recommendations concerning proper use of irrigation water.

Co-ordination between the various Ministries and departments concerned with water use and the information campaign launched through newspapers, radio and television were also discussed.

#### Subsidies

Most of the RO 7 million would be used to provide subsidies for farmers opting for modern irrigation systems, Mr. Zubayr said. "The emergency plan includes three phases: the provision of subsidies in the Batinah region, strengthening the regional information centres and providing them with experts and equipment and the launching of a pilot scheme."

In addition, steps would also be taken soon to prevent any digging of new wells without the necessary permits in the region. Conditions would also be set up to regulate land use in the area, Mr Zubayr said.

The Government was also drawing up plans to persuade farmers to save water and to step up the search for new water resources. Emphasis would also be laid on the building of several recharge dams and on the maintenance and repair of aflaj and wells, he added.

The National Committee for the Guidance of Water Use on the Batinah was set up by Royal Decree in March this year to look into the salinity problem affecting farms in the area.

#### Drilling New Gas Field Underway

44000677c Muscat *TIMES OF OMAN*  
in English 24 Aug 89 p 4

[Text] Petroleum Development Oman will start drilling a gas prospect first noticed by British explorer Wilfred Thesiger in the 1940s in October.

Jabal Madmar near Adam is also one of the largest undrilled prospects left in Oman and the planned well on the 400-metre high summit will be a wildcat.

It will be drilled by PDO's Rig 12 as part of the government gas exploration programme.

Thesiger, the first European to penetrate the Oman desert and live with the Bedou, wrote in his book *Arabian Sands* about Madmar and neighbouring Jabal

Salakh saying: "Both of them were dome-shaped, and I thought regretfully that their formation was of the sort that geologists associate with oil."

"But, even so, I did not anticipate that eight years later an oil company would have established a camp, made an airfield, and be drilling at Fahud not more than 40 miles away."

It has taken 50 years to follow up that observation because access to the top of the jabal is difficult needing expensive road construction.

## QATAR

#### Relations With Jordan Reviewed

44000647c Doha *GULF TIMES*  
in English 11 Aug 89 pp 1, 21

[Excerpts] Qatar and Jordan yesterday held discussions in Doha on several Arab, Islamic and international issues, during a visit to Doha by a Jordanian delegation led by Prime Minister Sharif Zayd Bin-Shakir.

Leading Qatar's side at the talks was the Heir Apparent and Defence Minister His Highness Sheikh Hamad Bin-Khalifa Al Thani, accompanied by Foreign Minister His Excellency 'Abdallah Bin-Khalifa al-Attiyah, and Qatar's ambassador to Jordan Mubarak bin Nasser al-Kuwari. [passage omitted]

Both sides underlined importance of the Arab tripartite commission on Lebanon continuing with its mission to restore stability and national unity there.

A Qatar News Agency report said the talks also covered issues of mutual interest, and ways to step up cooperation between the two countries in various fields.

Jordanian officials in Amman said this week it was hoped the Arab Gulf countries would provide financial aid to Jordan, to help it carry out an economic reform plan agreed with the International Monetary Fund earlier this year.

The Jordanian Prime Minister, who was in Kuwait before coming to Qatar, reportedly discussed the aid question with Kuwait officials.

In Abu Dhabi, the governor of Jordan's Central Bank, Muhammad Sa'id al-Nabulsi, told reporters yesterday that Jordan had asked the Arab Gulf states to make deposits to the Central Bank to boost Jordan's hard currency reserves.

He declined to comment on reports that Saudi Arabia had deposited \$1bn in his bank—but said that "like other Gulf states, Saudi Arabia has supported our request for deposits and promised to help our economy."

A Jordanian official said on Tuesday that the UAE [United Arab Emirates], which was visited last week by Bin-Shakir, had given Jordan \$70mn in aid.

**Broader Trend to Economy Expected**

**44000647b Doha GULF TIMES**  
in English 10 Aug 89 p 3

[Article by K. N. Sharma]

[Text] Two weeks after its dramatic Cabinet reshuffle Qatar looks forward to marked changes in policy and administering style to give the national economy new shape.

It is expected to be market-operated, self-propelling, self-sustaining and self-generating economy, in which government role will be more that of guide or manager of the last resort.

High level meetings almost daily now are chalking out strategy to put the national economy back on the modernisation road. Well informed sources suggest parallels are being sought to be drawn with neighbouring countries.

In the years since the oil price boom in the mid-'70s Qatar Government has pumped into the market tens of billions of riyals. Yet the actual strength of the domestic market economy is stated to be just around QR4bn—except once in 1982, when it touched QR7bn.

Shyness by the private sector to expand and delve into new areas of manufacturing is said to be one reason for a "not-impressive" showing.

Doubts are being cast now at the efficacy of an economy deriving its strength largely from the level of government spending. This has to go and give way to competition, it is being argued.

Qatar has been no less flush with cash than some neighbouring countries. But a dominant tendency among many individuals has been to put their funds in banks or convert it into foreign currencies yielding higher returns.

Officials suggest Qatar's economy is still "virginal" a developing economy offering great scope for both national and foreign entrepreneurs to benefit from its potential.

With this contemplated growth, a reasonable opening of the economy is also expected. Measures, like the ban on the entry of foreign capital while a free outflow of the national capital is allowed, are thought to be ironical.

In the new policy framework almost all departments are to see a new era. There will be more activity in every department. There will be more roads, more jobs, more businesses, and more people. But a down-to-earth approach will underline all growth. Private sector industry and trade will form the cornerstone of the new economy, operated by the market itself, and the Government will be a provider of infrastructure.

In a nutshell, openness will be the hallmark of the Qatari economy.

**Move To Promote Industry Decided**

**44000647a Doha GULF TIMES**  
in English 1 Aug 89 p 3

[Article by K. N. Sharma: "Move To Boost Industry"]  
[Text] In a move to cut duplication of responsibilities and prepare for an accelerated industrialisation drive—which will be the main plank of the state's future development policy—Qatar has transferred the functions of the Industrial Development Technical Centre (IDTC) to the Ministry of Industry and Public Works.

The centre, which effectively operated as an important government body for industrial planning, was directly responsible to the Cabinet, and through it to the Diwan.

On Sunday it was dissolved by Emiri decree and its responsibilities entrusted to the Ministry of Industry which has itself been reorganised and bifurcated from the earlier Ministry of Industry and Agriculture in the recent Cabinet shapeup.

Now the department charged with building roads, sewage, industrial sheds and other infrastructural facilities comfortably shares a berth with manufacturing facilities.

The truncated industry portfolio which has so far been mainly preparing performance reports of various industries and organising loans for small and medium industries, will hereafter address itself to the task of rapid industrialisation through the private sector participation.

It will conceive, plan and formulate strategies and execute projects. It will also plan incentives to be offered to accelerate the tempo of industrialisation. In a nutshell, all administrative matters pertaining to industries in the private sector will be under a single roof.

**State Banks' Budgets Reported**

**Doha AL-RAYAH** in Arabic 8 Jul 89 p 4

[Text] The budgets of banks operating in the State of Qatar up to the end of May 1989 totaled 19,466,168,000 Qatari rial. The monthly Qatari Monetary Institution bulletin showed that the budget according to assets is distributed as follows:

- Cash in local and foreign currencies 84,435,000 rial; bank deposits with the Qatari Monetary Institution 261,187,000 rial, and deposits with Qatari banks in local and foreign currencies 113,394,000 rial.
- Deposits with banks abroad in local and foreign currencies 3,732,413,000 rial.
- Deposits with major centers or branches abroad in local and foreign currencies 2,896,471,000 rial.
- Credit facilities granted by banks up to the date in question totaled 10,231,808,000 rial, of which 5,144,392,000 rial were facilities in the form of current debtor; 418,200,000 rial facilities in the form of commercial paper discounts; and 4,669,216,000 rial facilities in the form of loans and advances.

- Bank investments up to the end of last May totaled 1,771,180,000 rials, of which 212,165,000 rials were investment inside the State of Qatar, 1,499,015,000 rial in investments abroad.
- Fixed assets, real estate, furniture, and equipment totaled 186,474,000 rial and other assets 248,806,000 rials.

The Qatari Monetary Institution's bulletin said that the distribution of the budget of banks operating in Qatar according to liabilities were as follows:

- Public deposits in local currency 7,136,022,000 rials, of which 2,505,237,000 rials are in short-term deposits and 4,630,785,000 rials in fixed deposits and savings.
- Public deposits in foreign currencies totaled 5,214,006,000 rial, of which 1,447,070,000 rial are in short term deposits and 3,766,936,000 in fixed deposits and savings.
- Bank deposits in local currency 238,608,000 rial.
- Bank deposits in foreign currencies the equivalent of 1,381,768,000 rials; funds with the Qatari Monetary Institution 10,754,000 rial; and amounts borrowed in local currency from banks in Qatar and abroad 116,920,000 rials.
- Amounts borrowed in foreign currencies from banks in Qatar and abroad 1,008,589,000 rial.
- Cash deposits against credits and securities 83,004,000; capital accounts 1,942,790,000 rial.
- Allocations 1,789,000,501 rial.
- Other liabilities 545,206,000 rial.

### State's Aluminium Smelter Project Underway

44000671 Doha GULF TIMES  
in English 13 Aug 89 p 1

[Article by staff reporter: "Qatar Goes Ahead With Aluminium Smelter"]

[Text] Qatar's aluminium smelter project is going ahead, it was confirmed yesterday. Negotiations continue and meetings are being held soon.

A report by a foreign news agency sourced from Bahrain had said the project was suspended. But GULF TIMES inquiries yesterday indicated the project is still very much on, and considerable interest is being expressed outside Qatar.

According to preliminary projections published earlier the project will have a 240,000 tonnes-a-year capacity with its own power plant and 25mn gallons-a-day water desalination unit.

A tentative start-up has been slated for some time in the early '90s, soon after the plentiful North Field gas comes ashore.

Qatar's determination to press ahead with this energy-intensive industry is reinforced by the cheap and abundant natural gas which will be available from its mammoth reservoir and the rising prices of aluminium the world over in the wake of dwindling supplies from traditional major aluminium manufacturers, US, UK, France, and Japan.

A study by the seven-nation Gulf Organisation for Industrial Consulting (based in Doha) has estimated that aluminium demand by century's end would rise to 1.5mn tonnes a year, against a present supply of 325,000 a year in the Arab Gulf states.

At 240,000 tonnes-a-year capacity Doha aluminium project will be the largest of its kind in the GCC [Gulf Corporation Council], followed by Bahrain (180,000 tonnes) and Dubai (145,000 tonnes).

### Causes for Falling Water Level Listed

44040552a Doha AL-'ARAB in Arabic 5 Jul 89 p 2

[Interview with 'Abd-al-Rahman Yusuf, head of the Agricultural and Water Research Division, by 'Atif Sulayman in Doha; date not given]

[Text] 'Abd-al-Rahman Yusuf says: "The subterranean reservoir in Qatar is continuously deteriorating as a result of the steady increase of water pumping and irrigation. The Agricultural and Water Research Administration has conducted several agricultural and water studies with the aim of developing the subterranean reservoir and dealing with this deterioration as much as possible. It has also conducted many studies in two basic fields. The first is the possibility of increasing the rate of feeding the reservoir with rain water or other available waters, such as treated sewer water or any available surplus desalinated water. The second is to curb water consumption for irrigation, rationalize consumption, and adopt modern irrigation methods, such as spray irrigation and drip irrigation and other methods that would increase irrigation efficiency and, therefore, reduce water quantities used for irrigation."

"The agricultural sector consumes more than 90 percent of the water drawn from the subterranean reservoir. The latest survey of farm water wells in 1987 has shown that the total subterranean water utilized in agriculture is estimated at approximately 110 million cubic meters a year, 25 percent of which returns to the subterranean reservoir, making the net agricultural consumption about 83 million cubic meter a year."

"This large quantity of water is used for the irrigation of only about 3,000 hectares. This is a low efficiency in the utilization of water for irrigation, for this efficiency is estimated at less than 50 percent. For this reason the Agricultural and Water Research Administration has laid the appropriate plans to address the problem of the continuing exhaustion of subterranean water, which has adversely affected these waters both in terms of quality

and quantity, by carrying out several studies and experiments and implementing projects, including isotopic analysis, that would increase subterranean water resources. As a result of this important project, it was possible to increase agricultural soil productivity by 33 percent while reducing to half the quantity of water used for agriculture, thanks to the use of improved agricultural methods and of modern equipment. For this reason the government has shown interest in these results. In the light of the results achieved at the end of the project in July 1977, which was carried out in collaboration with the FAO [UN Food and Agriculture Organization] to increase irrigation efficiency and soil improvement in order achieve maximum soil productivity with the minimum amount of water, the government decided to put the results and recommendations into practical effect in the project's second phase which will be carried out in certain farms under close supervision. During this phase an experiment in planting desert land was carried out alongside efforts to find solutions for the many problems that previously were [sentence incomplete, as published]. The increase came since 1971-72 when the balance was an obstacle to agricultural development."

The Head of the Agricultural and Water Research Administration added:

"The quantities of rainwater feeding the subterranean reservoir totaled 158.54 million cubic meters during 1988 season. Added to this is the quantity of water returning from irrigation and estimated at 25 percent of the total consumption, which last year totaled 110 million cubic meters."

Regarding the annual consumption of subterranean waters for agriculture, 'Abd-al-Rahman Yusuf said:

"Total annual consumption for agriculture last year reached 99.65 million cubic meters. The results of the field survey this year indicate an increase to the figure we have already mentioned—that is about 110 million cubic meters. The recent rains have increased the water level—that is feeding was greater than net consumption by 58.04 million cubic meters, the highest since the period when there was an annual deficit, with the exception of the years 1975-76 and 1982-83."

He added: "Despite the increased feeding, which is positive, the present subterranean deficit is still continuing, during the period from the beginning of the seventies and until the end of last year was 419.28 million cubic meters."

Discussing measures to develop subterranean water resources, he said:

"The construction of a hydrologic network is underway, the rates of feeding the subterranean reservoir are being increased, the exploration of the deep strata is being carried out, and legislation and laws organizing the drilling of subterranean water wells, utilizing them with

the aim of rationalizing subterranean water consumption, and exploiting this important and vital resource as well as establishing a water data bank, are being issued."

Regarding monitoring water wells, 'Abd-al-Rahman Yusuf said: "A new program was initiated this month to monitor the wells. It is a periodic program carried out every six months before and after the rain season every year. The program includes all surveys of the monitoring network which cover more than 170 wells in all parts of the state."

He added: "This operation also includes gauging water well levels and taking samples for analysis in order to determine the degree of water salinity. This data is tabulated and charts showing water salinity and levels are drawn. As a result of the conclusions we reached last year, there is a 50 percent increase in the degree of salinity annually. This increase can be observed through the change that has occurred in farm wells. Farm owners and workers have been complaining of this phenomenon."

"Moreover, a drop in levels has been observed, which would cause the fresh water-carrying stratum to shrink. Also the continuing annual increase of water consumption would lead to sea water seeping horizontally, leading to the more saline water rising in the stratum next to the fresh water-carrying stratum, thereby replacing the fresh water and mixing with it."

"Finally, through the AL-'ARAB newspaper I would like to urge the citizens to choose types of plants suitable to the kind of water and soil in the farm, to cut down as much as possible the planting of grass areas in production farms, and to reduce the planting of nonfruit carrying trees, particularly since these farms are supposed to be productive farms."

### Water Conservation Strategy Discussed

44040552b Doha AL-RAYAH in Arabic 26 Jul 89 p 3

[Interview with Engineer 'Abd-al-Rahman Yusuf al-Mahmud, head of Subterranean Water Division at the Agricultural and Water Research Administration, by al-'Azzab al-Tayyib in Doha; first paragraph is AL-RAYAH introduction; date not given]

[Text] Water is about to become a real problem in the Arab Gulf region. More than one report has recently warned the region of the possible danger it would face as a result of water shortage. In view of this warning, efforts are being made in the Gulf countries to contain this danger at an early stage, whether on the basis of integration among these countries or on the national level. The State of Qatar has already had an early sense of this danger and, therefore, stepped up its efforts to increase quantities of water available as a precaution for future needs. This makes the project of drilling feeder wells for the subterranean reservoir which was launched in 1987 of maximum importance. On this subject, AL-RAYAH

had the following interview with Engineer 'Abd-al-Rahman Yusuf al-Mahmud, head of the Subterranean Water Division at the Agricultural and Water Research Administration.

He says: "The basic objective of this project is to increase feeding the subterranean reservoir with rain water. This is done by drilling wells with special specifications that reach the depth of the fresh water-carrying stratum known as the "al-russ" stratum which is depended upon to provide the necessary water quantities for agricultural irrigation. The project has been divided into three stages, each consisting of drilling 26 wells in a number of depressions known as "al-Rawdat", where rain water accumulates. In 1980 the Agricultural and Water Research Administration drilled five test wells in Rawdat al-Faras area where the government farm station is located and in al-Hashm area in order to study the effect of these wells, on which automatic devices have been installed to record changes in water levels.

"In the light of this drilling, the conclusion has been reached that it is possible to increase the amount feeding these wells by 30 percent. For this reason the project is regarded as one of the means enabling the conservation of the subterranean water level, particularly since consumption is continuously increasing. This would expose the subterranean waters to the danger of change in quality due to increases in the rate of salinity and to drops in the levels of suitable waters which, consequently, would increase the highly saline water. That would put pressure on the lower part of the Umm Ramdah water-carrying stratum and increase sea water seepage."

The head of the Water Division continues: "The first stage of the project was completed in October 1988 and was begun in 1987. Some 26 wells have been drilled in the areas of al-Majidah, al-Ghuwayriyah, al-Qa'iyah, Umm al-'Idham, Umm al-Kharj, al-Busayr, and al-San'a. These areas lie in the north and central part of Qatar. The average depth of these wells was 70 meters. On the basis of results of earlier experiments and monitoring the wells that have been drilled during this stage, it has been established that they have helped facilitate accumulated water reaching the earth interior. A number of automatic devices to record water levels will be installed in these wells in various depression areas in order to determine changes in stored quantities daily, and to monitor the rise and fall in levels. This is in addition to other data that is being compiled twice yearly through the regular observation of wells before and after the rainy season. Changes in subterranean water levels are studied in order to determine its rate of salinity. Hence charts showing the salinity and levels of the subterranean reservoir are drawn. The program to monitor the recent rain season began some time ago. It takes three months during which data will be analyzed and drawn on charts and diagrams."

Eng 'Abd-al-Rahman Yusuf al-Mahmud then talks about the second stage of the project which began last

December and will continue for a year, during which 26 wells will be drilled in areas that are regarded as a continuation of those areas in which wells of the first stage were drilled in the north and the center.

I asked, "Why the north and the center?"

He said: "This is because the main fresh water reservoir is centered in the northern and central half of the Qatar peninsula. With regard to the south, there are geological differences that make the fresh water different from that of the northern area. But in case it is agreed to drill more of such wells at a later stage, then, of course, a suitable number of wells will be drilled in various areas in the south.

"The third stage of the project will begin the 1st of December, God willing."

I asked Eng 'Abd-al-Rahman Yusuf al-Mahmud, "When will this major project be implemented, and will foreign expertise be sought in implementing it?"

He replied: "This project will be implemented by national companies under the supervision of the subterranean water division at the Agricultural and Water Research Administration. The administration has already carried out a feasibility study of the project."

[Al-Tayyib] Does the project mean that it could be possible in the future to depend on subterranean water as a source capable of meeting the demands of agricultural consumption?

[Al-Mahmud] Data available so far confirm that this source is still a limited source, particularly since feeding depends on rainwater. For this reason we always warn against increasing consumption levels which would expose the subterranean reservoir to danger. In fact, certain signs already indicate about a 5 percent rise in salinity and a drop in the level. About 90 percent of this resource is dedicated to agriculture. I can say that the future of agriculture in Qatar depends on the subterranean reservoir. For this reason we are at present studying the idea of drilling deep exploratory wells up to about 1,000 meters depth. Two wells have been drilled as a first stage in al-San'a area in the center and in Wadi al-Ikhwan area in the south. The results of drilling these two wells are still subject of study. More drilling will be carried out in other areas during the second stage in order to provide the largest amount of accurate data about those strata. During this time three wells will be drilled in the southern area. Determining the exact location will depend on the results of drilling in the first group.

[Al-Tayyib] You have pointed out to the dangers that might result from increasing consumption. This calls for further clarification. What do you say?

[Al-Mahmud] The current consumption of subterranean water indeed exceeds the amount of waters feeding the subterranean reservoir by a large percentage. This adversely affects farms in the first place because the rise

in the rate of salinity would consequently lead to deterioration of the soil quality on the one hand, and to restricting the varieties that can be planted on the other.

[Al-Tayyib] Can desalinated sea water not be used to help in this regard?

[Al-Mahmud] At present desalinated water is considered to be costly and uneconomical for use in farming. But there are other methods and techniques that can be adopted, such as modern irrigation systems using sprinkling, dripping, and jet irrigation. The use of such methods could decrease water consumption by 40 percent of the present consumption. This is the most important factor which we call upon people to understand. Farm owners should be convinced to follow these methods because it is in their interest as well. There is also covered farming. This saves water consumption. I believe that it also produces better results than the regular agricultural production. There are in fact a number of private farms that have begun using modern methods and so have seen the better results that have been achieved by resorting to modern methods.

[Al-Tayyib] How do you view the future of agricultural development in Qatar?

[Al-Mahmud] Agriculture depends on water; it is the most important factor for agricultural development. The idea of water conservation has in the past few years taken a positive turn, whether with regard to implementing auxiliary projects, such as drilling feeder wells or deep exploratory wells, or the issuing of the Amiri decree having the force of law in organizing the drilling of subterranean water wells. If the citizen or the consumer appreciate this resource and follows guidance given by the various administrations and authorities concerned in the state, and if responsible people cooperate, then in my opinion this would be the principal factor contributing to the achievement of the plan for agricultural development. When this happens then things will become positive and, God willing, the outlook will be optimistic.

## SAUDI ARABIA

### Article Highlights Saudi-American Friendship, Cultural Ties

44000664 Jeddah ARAB NEWS in English  
25 Aug 89 p 2

[Text] Washington—Professor George Edwards could not know how his small act of compassion has been cherished by one of his students for 35 years; certainly he did not realize at the time the impact it would have. It was a simple act, an inconvenience. For teachers who keep the best traditions of that profession, such small kindnesses are a matter of reflex.

Young Sahl Kabbani, a Saudi Arabian studying at the Worcester Polytechnic Institute, (Mass) was scheduled to take Professor Edwards' electrical engineering summer course at 8 a.m. But Shal had to be at work at the same

time, and he depended on the money from that job. He went to the professor and asked what he should do. Since Shal was the only student in the class, Professor Edwards arranged to meet an hour earlier, at 7 a.m., for the duration of the six-week class.

"That meant that the professor had to get up at 5 a.m. to commute in to the campus," Kabbani said half a lifetime later. His voice revealed that this still meant a lot to him.

For Kabbani, this act typifies American generosity. Somehow, despite years of political differences between the United States and the Arabs over Israel and Palestine, it is this incident, and others like it from his years studying in the United States, that dominate Kabbani's vision of the American character.

This story is informative because there is a nagging question about American-Saudi friendship. People speak about the relationship of the two nations in terms of common defense and economic interests. Friendship, of course, requires more than commercial and military common ground. The austere social institutions of Saudi Arabia are vastly different than those in the United States. On the Saudi part, there is a widespread feeling of betrayal over the ongoing Arab-Israeli conflict. Islam is the most important cultural factor in Saudi society.

In light of the feelings of mistrust that citizens of both nations have been conditioned to feel over the past decade, what is at the bottom of this friendship?

If anyone can answer that question, it is Sahl Kabbani. While he was being educated in the United States he saw promiscuity and indulgence. But rather than becoming promiscuous or indulgent, he looked deeper into Islam. He says he was born again as a Muslim as a result of the experience. Today he remains both devoted to Islam and an active friend of the Untied States.

"I used to have a lot of discussions with all kinds of students," Sahl says of his time in America.

But he says that where there is religious freedom, as in the United States, Muslims need only let the teachings be known. Acceptance is then the responsibility of the people. More than religious tolerance, Kabbani also sees active interest in religion in America.

"They are also searching for the truth," he says. "You are talking about a nation of individuals who really care." "The thing I like in general is the openness, and that in itself is a common denominator where we can build bridges," he says.

But openness cuts both ways. Kabbani says that the opportunities created by the interaction between Saudi Arabians and Americans comes with a certain risk for Muslims.

"The doors are all wide open," he says. You can go to the library. You can go to the laboratory. You can contact

the best professors. You can contact the best researchers and you can find the best in that area who are willing to help.

"Also the doors for night life for bad things are wide open and it is up to the individual to choose which way he is going. "A great impact is being felt by the number of students studying in America from the Muslim world. This acts like a two-way street.

"Some Muslim students are living lost by all means in the process. Fascinated, weak, taken by promiscuity of life and the short-lived fun it entails.

"On the other hand, there are also a great number of Americans who are taken and fascinated by the interaction. They see things in these students which they don't see in other students.

"I definitely see an overall positive reaction, positive results, coming out of all this. We take and we give." But in this openness, this opportunity and risk, Kabbani sees a fundamental fault with American society.

"There is a lot of misunderstanding and confusion in America, he says. "Many are searching. Why? There is a vacuum of values.

"What is lacking in this beautiful country is something like we have in Islam." "All societies have good and evil," he says. "In America you have both flourishing, but there is no group coming to suppress the evil things.

"In the true Islamic societies when we see both good and evil, we have the responsibility to promote the good and contain the evil." God orders us to do so in the Qur'an, 3-104, "Let there arise out of you a band of people inviting to all that is good, enjoining what is right and forbidding what is wrong: they are the ones to attain felicity."

He talked about Islam and was surprised about how his fellow students responded. They asked him so many questions that he had to study his own religion harder than ever to find the answers.

"They thought I was smart," he says. "All I was doing was telling them what I believed." Answering the questions of his American colleagues fueled his "fascination" with Islam and led him to even greater conviction. "My enthusiasm did not finish after I graduated," he says.

"I never stopped thinking about the role which could be played about the propagation and continuation of Islam in America."

He was poor at the time. He left the United States, wondering if he would ever return. Back in Saudi Arabia, he worked his way up, starting as an engineer in a cement factory and eventually founded his own company and made it a success. He began to accumulate money for his idea of an Islamic foundation in America.

He says that America is his second home. He now visits nearly every year. One of the most important things about America to him is the freedom of religion.

"I wouldn't waste my time in a place where there is no freedom of religion," he says. "I wouldn't consider America my second home if it wasn't for that."

According to Kabbani, respect for other religions is a basic feature of Islam. He is most upset by how Islam has come to be associated with violence. He wants people to know that one of the goals of Islam is to reach peace.

"There are 99 attributes or names for Allah," he says. "and one is peace. Peace is part and parcel of Islam."

"You hear in the movies that Islam was spread and promoted by the sword. That is untrue. How could it be promoted by believers in the Qur'an which says, "To you be your Way. And to me mine." (Qur'an, 109-6); "Let there be no compulsion in Religion: Truth stands out clear from error." (Qur'an, 1-256). The key to the hearts of people is in God's Hands alone. God says to Prophet Muhammad to this fact, "It is true thou wilt not be able to guide every one whom you lovest: But God guides those whom He will and He knows best those who receive guidance." (Qur'an, 28-56). A Muslim's duty is to make the teachings known and the people will be responsible for their own salvation.

The sword was used, Kabbani says, only where people did not have the freedom to choose. He says that in that situation "force was used but only against those rulers who prevented their people from hearing the Truth, the message of Islam." "Similarly, The United States supports freedom and democracy; Islam considers Truth to be more valuable than both." "These people were heroes," he says.

Kabbani believes that more Americans are seeing this as the strength of Islam.

"And that is why you see many Americans fascinated with Islam," he says, "Those who touched the subject by contact with Muslims or on their own, by going to the libraries and reading on Islam. It is amazing how many different people are touched by Islam in many different areas."

For Kabbani, the openness of Americans is more than just an opportunity to spread the word of Islam. It is also the attribute which sets Americans off from the rest of the world. He says it developed out of the early settlers need to depend on each other.

"Really it has developed into a kind of cultural phenomenon," he says. "You don't see it anywhere else in the world like this."

Kabbani says that this type of cultural phenomenon is what transforms the Saudi-American economic and political relationship into a true friendship.

"You cannot be a friend unless you have common values," he says. "These are the ones that will be lasting. (Some) have a laugh or share a trip and everyone goes his way and is forgotten. When you have a friend, he will not be forgotten even though he is not near you, because you have his values."

The average American is a kind open person, is fair in wanting to find out. I don't say 100 percent, but may I say often.

"If you ask, is there some common ground, I think there is some goodness."

#### Trade Surplus With South Korea Reported

44000631 Jeddah ARAB NEWS in English  
16 Aug 89 p 3

[Article by Fancis McKenna: "Kingdom Enjoys Trade Surplus With South Korea"]

[Text] Jeddah, Aug. 15—Latest trade statistics show that the Kingdom is enjoying a healthy surplus in its balance of trade with South Korea for the first half of this year. This achievement reverses the situation which prevailed in the corresponding period last year.

Kim Jai-Hyo, director of the Korean Consulate's commercial section, said: "Since the corresponding period last year, the Kingdom's imports from Korea have fallen by 20.9 percent to reach a current figure of \$438 million. The Kingdom's exports to Korea have climbed substantially to reach \$548 million, a rise of 35 percent."

These figures reveal a dramatic turnaround on last year's trading relationship between the two countries. The Kingdom suffered a deficit of \$148 million in its trade with Korea for the first six months of 1988 before achieving a surplus of \$110 million for the corresponding period this year.

The Kingdom's exports of crude oil to Korea rose by a sharp 176.4 percent this year to achieve a total of \$230 million.

Sales of Saudi downstream petrochemicals have also risen by around 60 percent on the corresponding period last year, according to Kim. Sales of Saudi chemical products to Korea are up 35 percent.

Kim conceded that Korean exports to the Kingdom have fallen off somewhat this year. Korean "supply side problems" have meant decreased exports of Korean automobiles, electronic items, textiles and iron and steel products to the Kingdom.

Meanwhile, Kim anticipated that three forthcoming Seoul trade fairs will attract Saudi business interest.

The International Instrumentation Exhibition (Sept. 5-9), the International Stationery Fair (Oct. 20-24) and the International Gift Fair (Oct. 20-24) will all take place in Seoul's Korea Exhibition Center.

Kim added that his commercial section can provide Saudi businessmen with a visitor's courtesy card which assures free admission to the fairs and discounted hotel accommodation.

#### Electric Power Consumption Reportedly Rises

44000634 Dubayy KHALEEJ TIMES  
in English 10 Aug 89 p 4

[Text] Jeddah—The Saudi Consolidated Electricity Company (Scoco) of the western province during 1408H provided electricity to 39,121 new subscribers, thus increasing the total number of subscribers in the western province by the end of 1408H to 855,000, representing an increase of 4.2 percent over the 1407H figure.

This was disclosed in the annual report of Scoco for the western province during the year 1408H. The report mentioned that the annual average electricity consumption for each subscriber rose to 17,074 kilowatt-hour in 1408H, representing the highest subscriber average since the introduction of electricity in the western province.

The total energy sold during 1408H reached 14.2 billion kilowatt-hour, an 11.4 percent increase compared to the 12.8 billion kilowatt-hour sold during 1407H. The amount of energy sold for normal consumption increased during 1408H by 11.7 percent compared to the previous year.

As a result of a big increase in the amount of electric power sold during 1408H, the maximum load in the interconnected network in the area in which the two holy mosques are located rose to 3,162 megawatts during the Haj season in 1408H.

The maximum load for isolated branches dropped from 140 megawatts during 1407H to 136 megawatts during 1408H as a result of joining Rabigh branch to the interconnected network in Ramadan, 1408H.

#### Industrial Consumption

The report also pointed out that the amount of power sold for industrial consumption increased in 1408H by 7.1 percent relative to 1407H figures. Revenues from electric power sales increased by 10.1 percent, reaching SR1.3 billion in 1408H.

The average rate of sold electric power during 1408H amounted to 9.5 halala. The total actual generating capacity in Scoco western province until the end of 1408H reached 3,802 megawatts. The share of the interconnected network was about 3,553 megawatts and that of the isolated branches, 249 megawatts.

The amount of generated electric power from the company's stations increased from 9.6 billion kilowatt-hour in 1407H to about 9.7 billion kilowatt-hour during 1408H. The steam-powered generating units contributed in generating about 45 percent of the total generated

power; the gas-powered units contributed about 51 percent and the diesel-powered units approximately 4 percent.

To meet the increasing demand for electric power and benefit from the relatively cheap power generated from desalination plants, the amount of purchased energy from the two desalination plants in Jeddah and Yanbu' increased from 4.7 billion kilowatt-hour during 1407H to approximately 6.2 billion kilowatt-hour during 1408H representing an increase of 31.7 percent.

During 1408H the company removed about 4,141 connections, over 75 percent of which were situated in Mecca and Medina.

In 1408H, operation policies and plans were greatly improved. This led to a number of positive results. It also saved a big amount of fuel consumed in generating power. This reached to 7 million litres. Also, the selling price of one kilowatt-hour in 1408H was reduced by approximately 10.7 percent relative to previous year's price. The buying price of one kilowatt-hour of power from the desalination plants in 1408H was reduced by about 21.3 percent.

#### Operation Policies

The company also carried out a colossal expansion in the low- and medium-voltage distribution network represented in the following:

- Installation of electrical current for the first time to about 42 new villages and rural complexes. Thus, the number of cities, villages and rural complexes in the Western Province in which electricity has been installed until the end of 1408H increased to 245, representing an increase of 21 percent compared to the previous year's figure.
- A total of 2,000km of subsurface cables and overhead transmission lines were laid.
- The distribution capacity was increased by about 678 megavolt-ampere to install and replace over 1,174 distribution stations and transformers.

The report reviewed the company's most important projects, including those still under implementation.

During 1408H, approximately 40 different projects were approved to support the existing transmission network and transformer stations.

The execution of 26 projects started in addition to 32 projects whose execution began before 1408H. Of these, 20 projects were completed in 1408H.

The report disclosed that the number of Saudi employees in the company increased in 1408H by 6 percent relative to 1407H. It indicated that the number of trainees increased from 263 in 1407H to 897 in 1408H. Over 60 percent of them were trained at the company's training centre.

#### SUDAN

##### Foreign Minister Criticizes Western Media

45040481 Khartoum AL-QUWWAT AL-MUSALLAH in Arabic 31 Jul 89 p 4

[Interview with 'Ali Muhammad Sahlul, minister of foreign affairs, by 'Abbud Sultan and Salah 'Uthman: "In Interview with AL-QUWWAT AL-MUSALLAH Sahlul Says, 'Aim of Our Foreign Policy Is To Normalize Relations With Neighboring Countries, Remove Everything Left Behind by Previous Regime; Our Way Out of Subordination Is Balanced Expansion of Relations With All Countries of World; Indications Are Promising That Problems Will Be Settled, Stability To Be Extended Between Us and Neighboring Ethiopia; Transfers in Ministry of Foreign Affairs Take Place in Accordance With Rules and Regulations That Are in Effect';" date and place of interview not specified]

[Excerpts] [Passage omitted]

##### Foreign Policy Goals

[AL-QUWWAT AL-MUSALLAH] Your excellency, please explain at the outset the most important policies you are pursuing with regard to foreign policy. Please explain, as far as the reality in Sudan is concerned, the most important subjects that were brought about by the African Summit Conference.

[Sahlul] [passage omitted] Our relations with other countries will be normal. We are trying to establish cooperative relations, especially with the European countries. We are also trying to establish such relations with the United States, the Soviet Union, and all other countries. [passage omitted]

Among the ministry's policies is one which has to do with relations with the foreign media. We believe that the battle between us and the Popular Movement was not a battle fought on a battlefield as much as it was a battle fought in the foreign media. It was even a battle in which the fighting was conducted on the level of embassies. Many African countries started repeating allegations made by the Popular Movement about conditions in Sudan. Many countries in the western world, which may not have actually supported the movement, sympathized with it. The African Summit Conference gave the Sudanese delegation a good opportunity to hold meetings with international journalists and radio stations and with news agencies. Sudan's delegation held those meetings to explain the direction of the new regime in Sudan, the solutions that were proposed, and the government's willingness to make bold decisions to solve the problem of the south and find a decisive and just settlement to this question. The journalists were convinced that a serious effort was being made, and that matters were different from the way they used to be in the past, when the parties that were represented in the government and those that were not were engaged in many ploys.

### **Our Policy Now Will Be Different From Our Previous Policy**

[AL-QUWWAT AL-MUSALLAH] Partisanship played a major role in destroying or ruining Sudan's foreign policy. Will you review the country's foreign policy, and put an end to the misconduct which became associated with that foreign policy?

[Sahlul] The permanent elements of a foreign policy are not toppled when governments change. Our Arab and African commitments, our relations within the Conference of Nonaligned Nations, the Islamic Conference, and other communities which link Sudan with fraternal countries are permanent elements of our foreign policy. In principle, these commitments do not change; in application, however, they might. For example, we used to boast about being nonaligned when we were aligned. This is a situation which we will change. Our affiliation with Africa, as well as our past affiliation with the Arabs, may be seen in light of our commitment to resolutions with which we must comply. We used to be members of the movement of nonaligned nations, while Sudan was quite subordinate to certain countries which were involved in conflicts with other countries on the international scene. Given that point of departure, I think that our foreign policy will be different from what it used to be in the past. We have priorities: our first and most important one is to establish peace in the south; our second priority is to devote attention to finding a solution to the economic problem. Since we have these priorities, our foreign actions must be geared toward normalizing relations with neighboring countries, on the one hand, and striving to strengthen our relations with the donor countries, on the other hand. It is these donor countries which will help us get out of our current crisis.

### **Not Concentrating on One Source**

[AL-QUWWAT AL-MUSALLAH] It is a true saying that he who cannot feed himself cannot make his own decisions. We saw an illustration of that fact in many Third World countries which had no choice but to continue mortgaging themselves to the superpowers as a result of their inability to feed themselves. The question is this: how can you guarantee that Sudan's foreign policy will not succumb to international alliances and pacts?

[Sahlul] This is a good question because the relationships that some poor countries have with the donor countries do actually lead to some kind of subordination. It is my opinion that the way out of such a relationship is to try expanding our relations with all countries of the world, so we would not become dependent on one side and not the other. Relying on the donor countries should not be enough. Instead, we should strive to strengthen our relations with the African bloc and the eastern bloc. We should strive to strengthen our relations with financial, international, and regional institutions as well. We must

also strengthen our relations with everyone whose relationship with us could yield many benefits. What matters in our foreign policy is that we not concentrate on one country so that we do not become branded as a subordinate country.

There are principal countries in the movement of nonaligned countries, like India and Indonesia, which benefited considerably from the balanced policies they pursued with all parties. God willing, we will succeed in developing our relations with all the friendly countries outside the two principal blocs. God willing, we will succeed in persuading them to give us more help, and to pay more serious attention to our problems. [passage omitted]

### **Border Problems Are Being Considered by Committees**

[AL-QUWWAT AL-MUSALLAH] When partisan governments were in power, some neighboring countries tried to seize and annex part of our territory. Will you use diplomacy to contact officials and rectify matters in this regard?

[Sahlul] Some of the problems associated with Sudanese territory located here, there, and everywhere are old; some are chronic; and some are recent. We recall having a minor problem with Central Africa which had to do with the presence of factions or armed troops. Now, however, we have no problem with Central Africa. We have no border problems with Chad at the present time, and we have no border problems with Ethiopia. But the subject of the Elimi Triangle with Kenya is an old subject that goes back to the past. It caused the break which happened in the past in our relations with Kenya. President Arap Moi said, in the course of the discussion which took place between him and President 'Umar Hasan, that any problems between the two governments which have to be resolved could be dealt with through quiet talks conducted by institutions like the common ministerial committees, which would be set up for that purpose. Since the problem is a chronic one, a solution to it will not come overnight. At this stage, we want to normalize relations. Kenya's contribution and the contribution of other countries to finding solutions are matters of interest to the area. At any rate, the problem of the borders is being looked at by the common ministerial committees. We called for these committees to meet either in Khartoum or in Nairobi. President Moi promised that he would consider the matter and let us know. [passage omitted]

### **New Embassies To Be Opened in Stages**

[AL-QUWWAT AL-MUSALLAH] Sudan's voice is not being heard in a number of countries where Sudan has no embassies to speak on its behalf and look after its interests. Does Sudan intend to open embassies in these countries?

[Sahlul] Opening new embassies has to do with the financial situation of the country, and with the country's ability to cover the exorbitant costs of these embassies.

That is why we might start dealing with this situation by having the minister of finance and the minister of foreign affairs work together to determine proper guidelines for spending.

We will see afterwards if we can move in stages and start opening some embassies. For us, the first step would be to have a resident presence in Djibouti. President Hassan Gouled Aptidon and our president have come to an agreement on this matter. Other than that, we have a resident presence in all the countries where we have delegations. But our presence is concentrated basically in the Arabian Peninsula—and that includes Saudi Arabia and the Gulf—and in Iraq, Egypt, and Libya. Our presence in those countries can take care of solving these delegations' problems.

We also have a resident presence in most western countries and in a number of socialist countries.

It is only in Asia, however, that our presence is not large. Our Asian presence is concentrated in India, Japan, China, Iran, and Pakistan. We have no presence at all in Central and South America. Our presence in Africa needs to be expanded further because it is almost non-existent in some areas. We were thinking about establishing a new embassy in a West African country that has influence on the course of African politics. We were inclined to choose the Republic of Senegal or one of the Frankfurt countries [as published]. At any rate, this is something that will happen in stages; it is something that we may not be able to achieve now. [passage omitted]

#### Factors To Improve Sudan's Image

[AL-QUWWAT AL-MUSALLAHAAH] Our international relations have deteriorated to their lowest point ever. This was spontaneously reflected in the financial assistance which used to be offered to us. What are your views on this matter?

[Sahlul] It is true that our relations with countries deteriorated, especially our relations with the major donor countries. It is also true that many of the reasons for this deterioration had to do with the problem in the south, and with the propaganda against us in many of the western media. The indifference which the media attributed to previous governments, and the fact that their conduct showed a lack of serious concern with what was happening in the south and with the famine which occurred last year and before then, contributed to this deterioration in relations. Now, however, implementation of Project Lifeline has begun, and world public opinion has been assured that the famine problem has been contained, and that a government has come to power which not only has the serious intention, but also the ability to reach a workable agreement which, contrary to what used to happen in the past, would not lend itself to any schemes that would be activated after the agreement is executed. Now that all this has happened, the image which these countries have of Sudan will improve. Consequently, these countries could resume

their assistance to Sudan under its present circumstances. Early signs that this might happen are looming on the horizon. We hope that our expectations in this regard will materialize in the future. [passage omitted]

#### Results, Recommendations of Fur-Arab Talks Listed

45040480 Khartoum AL-QUWWAT AL-MUSALLAHAAH in Arabic 26 Jul 89 p 4

[Article by Lt Col 'Abd-al-Ghani al-Tahir 'Uthman: "What Was Achieved at Peace Conference between Fur and Some Tribes; Conference Makes Decisions, Recommendations, Offers Radical Solution to Problem; Clashes Not To Recur in Darfur; Most Important Reasons for Conflict in Darfur Gone With Outbreak of National Salvation Revolution"]

[Excerpt] [Passage omitted] Darfur Province has experienced environmental and natural changes in recent years which manifested themselves in drought and desertification. As a result of these changes individuals and groups migrated, putting pressure on life's resources and on pasture land. Such pressure created and paved the way for a climate that was conducive to friction and strife among citizens.

Regional skirmishes and political conflicts between some neighboring countries occurred on the international borders of Darfur Province. These skirmishes and conflicts created many dangerous conditions. As weapons inundated the area, tribes and individuals found it easy to acquire weapons. That was the immediate reason why the traditional mode of tribal clashes changed. Now that modern and advanced weapons were being used, these clashes became more violent and more bloody. Political conflicts as well as individuals vying for power, especially after the regional government system was introduced onto the scene, affected and inflamed the civil strife. Generally speaking, it may be said that what was experienced in the areas of conflict in this peaceful province was the result of the changes that took place and the interplay between social, political, security, and natural factors. That was what led to a breakdown in the situation which ended in a sweeping and destructive war, the likes of which had not been seen before in the province.

After relations between the tribes deteriorated to that dangerous level, benevolent residents of the province had to call for measures to reassure the feuding parties. Committees that would become engaged in the commendable effort to establish peace were formed, and these committees traveled in all the areas of conflict to reassure the parties.

The conference issued its approval of the recommendations made by the following duly qualified committees which were formed by the Council of Noblemen.

### Traveling Committee for Consoling Citizens

The committee which travels to console citizens and find out about the losses which occurred in the areas affected by tribal conflict traveled between 28 June 1989 and 14 July 1989 in some villages in Nyala, Mura, Wadi Salih, and Zalingei. The committee met with village residents and residents of affected areas, and it reassured them. It told them that peace measures would soon be concluded, and it reported to them what was being done to bring about the reconciliation which was being sought.

The conference also issued the following general recommendations:

- The government is to try to settle the displaced persons and offer them all the necessary services.
- The government is to try to establish tribal fairs and conferences to stimulate the peaceful coexistence movement.
- Awareness and guidance efforts are to be intensified; education is to become widespread in the province; and emphasis is to be placed on backward areas.

### General Resolutions

Because this peace conference is important; because its covenants and resolutions are essential; and because the aim of these covenants and resolutions is the achievement of stability and security throughout Darfur Province; the conference issued the following resolution to enable the province to utilize and invest its capabilities to achieve development, change, and social and economic progress.

The conference decided that a highly qualified, high-level committee be formed and given broad powers so it can follow through with, preserve, and carry out the resolutions and recommendations made by this conference. Committees are to be formed in provinces, districts, and rural areas to help implement this resolution when necessary.

It is worth noting that Staff Maj Gen Ibrahim Hasan 'Abd-al-Rahman, the military governor of Darfur Province, complied with the conferees' wishes and agreed to chair the Follow Up Committee himself to confirm the state's interest in the matter.

### The Conference Also Made the Following Resolution

The conference decided to send a telegram in the name of the Council of Noblemen to Lt Gen 'Umar Hasan Ahmad al-Bashir, chairman of the National Salvation Revolution Command Council. The telegram was being sent to congratulate Chairman al-Bashir and the people of Sudan on the outbreak of the revolution and its declaration that all aspects of corruption and causes of fragmentation and division would be eliminated. The telegram was sent to express support for all approaches calling for solutions to the issues of the provinces and for movement in the provinces in the direction of development, progress, and prosperity.

It is on this basis that we hereby declare that we, signatories to the peace resolutions, who are also negotiators for the Fur tribe and for some Arab tribes, approve of the aforementioned recommendations and resolutions in the name of God and in the name of our tribes. We pledge in front of God and in front of the state's representatives and the Council of Noblemen that we will never fail to adhere to the resolutions adopted by the conference. Nor will we ever fail to work together to establish a lasting peace between our tribes. We hereby affirm, as God is our witness, our commitment to any measures which are required to implement the covenants of this conference.

In concluding the document of the conference we would be remiss unless we expressed our thanks and our gratitude to all the employees of the governor's regional government office for their valuable and esteemed efforts. They made preparations for the conference; they performed hospitality functions; and they maintained their good spirits and their tolerant attitude as they followed the intermittent and continuous sessions of the conference efficiently, without getting tired or bored. Our special thanks go to the clerks who volunteered to work overtime to complete many clerical tasks. We are also very grateful to members of the regular armed forces who stood by our side from the first moment when the conference started until it ended. We would also be remiss unless we expressed our thanks and our gratitude to the citizens of Judayyah al-Sayl and Fashir. They gave the conferees an opportunity to meet with them and partake of their bountiful generosity and their friendly reception. This went a long way toward removing the dissension between the feuding parties. We continue expressing our thanks to the administrators, who are members of the Central Agency for Tribal Affairs. They came from Khartoum, and they actually participated in all the meetings and gatherings of the conference.

We conclude this document by saying a prayer and asking God to have mercy on the souls of citizens of the province and members of the regular forces who lost their lives. The innocent blood of these people was shed on the soil of this province, and their souls have joined their Maker. We ask God to have mercy on them, to forgive them, and to shelter them in His Heaven with martyrs and friends of the prophet.

### Resolutions and Recommendations of the Committee for Security and Administrative Affairs

The Fur's armed militias, armed Arab groups, and any armed tribal organizations are to be liquidated. To ensure that this is done, the government is to establish its presence in a decisive and deterrent manner. The committee also recommends that the government announce a specific grace period during which citizens would receive a lucrative reward, to be determined by the government, when they turn in their weapons. People who turn in their weapons during that grace period would not have to answer any questions. But after the grace period expires, the government is to take the

necessary measures to confiscate weapons and to punish those who have weapons in their possession.

At the appropriate time, the government is to open existing and agreed upon camps for displaced persons in accordance with previous agreements. The government is to take the necessary security and preventive measures in deference to the rights of shepherds and farmers, provided that entries and departures from these camps be made in accordance with recommendations from the committee for the displaced persons' camps.

The government is to deport any groups which occupied any villages or farms during the conflict and displaced their residents. Those who were expelled from their homes are to be returned to their old dwellings.

The government is to review the activities of foreign organizations operating in the province. It is to deal with their shortcomings, and it is to do something to bring about the fair distribution of their services in the province.

The government is to act immediately to dissolve any organizations which violate the law, and it is to observe and watch individuals in those organizations.

The duly qualified authorities are to issue or reissue orders stipulating stricter penalties for those who scorch pasture land, close camps for displaced persons, build open air cattle pens, cut down trees, and spoil farms.

The government is to take deterrent measures against any party violating this agreement. Security agencies are to watch any location which is used as a site from which the fires of civil strife and conflicts between different groups can be inflamed. Measures are to be taken against persons whose participation in such activities has been proven.

Duly qualified agencies are to issue orders to forbid grazing in village areas where grazing is prohibited. Free grazing is to be prohibited unless it is done by mutual consent. The customs of the local environment are to be taken into consideration in accordance with recommendations made by the Committee for Pasture land.

#### Recommendations

The government is to act to devise a peaceful coexistence pact between all the tribes of the region that would preserve the rights of every Sudanese citizen living in the region.

The Council of Noblemen appeals to the government and asks it to address the duly qualified agencies to ask them to release defendants and citizens who were imprisoned because of the tribal dispute. The said release is to take place after the peace agreement is signed.

The government is to try opening more police stations, and it is to reinforce existing police stations by equipping them with communications devices and with the appropriate force.

Judicial authorities are to be granted without delay to officials of local departments.

An appeal is to be made to the chief of the judicial authority in the province asking him to address the duly authorized courts to ask them to postpone hearing cases which have to do with the dispute until the peace conference is over.

The government is to see to it that judges are present in all district council offices.

Administrative units, which are subordinate to the Fur's departments, are to remain unchanged.

Due to the current security conditions, the Council of Noblemen recommends the creation of new mayoral and administrative departments. Duly qualified agencies may make decisions in this regard in accordance with the principles and rules regulating such matters.

The two parties are to commit themselves to ending plundering and theft and to stop sheltering criminals. It is also recommended that the two parties work together on relief operations.

Without infringing upon the neutrality of security agencies, the council recommends stricter penalty and stronger deterrent measures for every individual who is a member of a security agency and who is proven to have been involved in siding with any party.

Stern measures are to be taken against any person or civil servant who is proven to have been engaged in an activity promoting civil strife between the various groups in the province.

#### Resolutions and Recommendations of the Pasture Land, the Displaced Persons' Camps, and Watering Holes Committee.

The period during which pastoral tribes may enter South Darfur from North Darfur is to be around the end of February each year. This would enable farmers to harvest their agricultural crops. These tribes are to depart from the area by the end of June of each year. The authorities in North Darfur Province are to notify authorities in South Darfur Province in case of extraordinary environmental conditions such as scarce rainfall and insufficient pasture for grazing so that the necessary measures can be taken to advance or delay these dates without infringing upon the resolutions of the peace conference which was held in January 1980 or any other agreements in that regard.

All obstacles which stand in the way of the agreed upon travel routes and camps are to be removed so that pastoral tribes would have no fights with farmers and settled residents in general. We also recommend that vegetation planted close to the sides of public roads be removed, and that no vegetation be planted less than 100 meters from both sides of a public road except in areas that have old, established orchards and groves.

Certain areas in villages and stable residential areas, within five to eight kilometers, are to be declared off limits so that animals can still graze without going too far away from residential areas.

A committee of conferees that includes professionals in the areas of pasture land, forests, water, agriculture, and animal resources is to be formed. The committee is to include administrative directors, appointed representatives of the local administration, and security officers. The committee will review all the displaced persons' camps in the province, and it will instruct traditional farmers not to confront the displaced persons as they travel on the roads. Principal committees for the displaced persons' camps are to be established in all the administrative districts of the province. These committees, whose members will be the aforementioned, are to be chaired by the managing director. These committees will serve alongside subcommittees for the rural councils.

Fire lanes are to be opened in the areas where the displaced persons pass to protect pastoral resources from the dangers of fire and to keep this from becoming the reason why some pastoral communities lose their pasture land and, consequently, have a direct reason for friction.

Places where animals can run freely, and public sources of water which are designated for animals are not to be used for agriculture. These areas are not to be blocked off or put to any other use that would prevent them from being used. The use of common resources between farmers and shepherds is to be regulated in accordance with accepted conventions.

The establishment of open air cattle pens is to be prohibited, especially in areas which are located at or near the well-known areas for the displaced persons' camps. The authorities are to remove any open air pens from all areas.

Water wells are to be drilled, and water tanks and basins are to be built in homes and in the displaced persons' camps. Cattle ranges are to be expanded, and necessary veterinary services are to be offered at these sites.

No new projects are to be started until the approval of the proper technical authorities is secured to protect what is left of the surface vegetation. Official agencies are to educate and inform citizens about this matter.

No trees are to be cut, and forest resources are to be preserved. Farmers are to be encouraged to grow hardwood trees.

All camps for pastoral displaced persons which had been closed in the various agricultural areas of the province are to be opened after consulting with the management of these projects. Outlets are to be found to enable the shepherds to reach grazing areas for the fall and summer seasons by traveling through agreed upon routes from the north of the province to its farthest point south.

More guards are to be appointed to watch the pasture land in all areas. Emphasis should be placed on areas where there has been friction so that pasture land can be protected from fire. Those who start such fires are to be reported to the closest official authority. They are to be reported to a police station or to the local authorities.

Forest bureaus in the districts are to be reinforced by appointing a sufficient number of guards to help provide full protection and control for the trees from wasteful cutting. Severe penalties are to be imposed promptly on those who cut trees so that others may be deterred.

Leaders for the displaced persons' departments are to be developed by spreading among the young the spirit of education to ensure that some kind of a meeting of the minds is created between them and the nonmigratory population.

Veterinary services are to be increased in areas where the displaced persons' sheep and cattle spend the fall and summer seasons to ensure that any diseases which appear are contained.

New offices for pastures are to be opened. The old ones are to be reinforced by the district councils so they can follow up on the resolutions of this conference and implement them.

The conference recommends the use of old studies, which can be found in the province's Popular Local Government Department, so that projects to settle displaced persons can be revived.

Deputies are to be appointed to accompany the displaced persons, and to find out what routes they take when they travel. To facilitate travel, the deputies are to coordinate with the areas through which the displaced persons travel.

The camps' internal issues are to be dealt with by representatives of the local administration in all areas, according to accepted customs and conventions.

The Fur, Karakir, and Niqa' are to plant rainfall crops in their lands on the first of March of each year in accordance with accepted conventions. Agriculture in the valleys and the mud lands, which relies on the Nile, is exempted from that. These lands are to be protected by cattle pens. Council authorities are to take the required measures to implement this recommendation before a sufficient period of time.

To implement the objectives of the January 1988 Darfur Security Conference, whose aim was to establish security in the region and to create a bond between the area's various tribes so they can achieve economic and social development, the conference recommends that all the recommendations made by the Committee for Pastureland, Camps, and Water Holes be adopted because they are the means that would help achieve these goals.

It is recommended that after these recommendations are approved by the conference, they are to be turned into

laws by having them issued in the form of local, regional orders and implemented by duly authorized agencies.

### The Resolutions

The committee decided the following. Indemnity and compensation shall be paid as follows:

- Indemnity for one person killed in battle. 8,000 pounds.
- Disability or loss of a hand—half the indemnity for one killed in battle or 4,000 pounds.
- Disability or loss of a leg: half the indemnity for one killed in battle or 4,000 pounds.
- In the case of an injury to two of the two aforementioned limbs, compensation shall be equal to two-thirds the indemnity for one who was killed in battle, that is, 5,334 pounds.
- In the case of paralysis: half the indemnity for one who was killed in battle or 4,000 pounds.
- In the case of impotence, half the indemnity for one who was killed in battle or 4,000 pounds.
- In the case of loss of one ear, one-fourth the indemnity for one who was killed in battle or 2,000 pounds.
- In the case of loss of the nose, one-fourth the indemnity for one who was killed in battle or 2,000 pounds.

### Recommendations

The committee recommends that the government build or rebuild all the villages and government installations and mosques which were damaged during the conflict.

Whereas the central government and the provincial government are committed to assist and contribute to everything promoting the restoration of harmony and agreement between the two feuding parties so that normal life can be restored to Darfur Province, and because some of the incidents involving murder, plunder, and vandalism were carried out by foreign elements and members of armed robbery gangs, the committee recommends that the government pay one-third of all the indemnities and compensations which have been determined in the conference for each one of the parties to the dispute.

Since local administration officials and other duly qualified agencies are authorized to receive indemnities and compensation, collect government funds, protect the environment, and regulate the grazing process, the committee recommends the appointment of guards for the local administrations. For the purpose of improving the performance of the local administration's agencies, the committee recommends the appointment of 30 guards for the Displaced Persons' Department and 30 guards for the Nonmigrants' Department. The committee recommends that these guards be armed with modern weapons.

### Economist Profiles Cement Company

45040505 Khartoum AL-QUWWAT AL-MUSALLAH in Arabic 22 Aug 89 p 4

[Article by Ibrahim Mahdi Ibrahim: "'Atbarah Cement Company Performance Analyzed"]

[Text] The Economic and Analytical Research Center conducted a study of the performance and progress of institutions and companies in the private and public sectors during the last 1988-89 fiscal year. The study dealt with the work progress and performance, production, and difficulties encountered in providing production and transportation requirements, sloppy work, mismanagement, and other problems.

The study included over 40 institutions, companies, and plants in both sectors and came out with the result that most of these institutions suffer from mismanagement by management teams appointed by the political parties on the basis of nepotism and favoritism, without regard to the havoc their presence wreaks on the Sudanese economy due to their corruption and lack of management know-how.

Our research dealt with a unique and successful experience, even though the management in this company is barely 1 year old. The center decided to present this experience to the Sudanese readers to let them know that our Sudan is doing very well, and that it has people concerned with raising it to new highs from any position they occupy. We present below an example of such a success.

### 'Atbarah Cement Company

The researcher was struck by the fact that in past years this company was operating at less than 20 percent of half of its working capacity, and that work came to a complete halt at the beginning of 1988. During a field visit to the 'Atbarah plant in March 1988, we found that new management had taken over and had succeeded in achieving great positive results through honesty and reliability, achieving the kind of discipline the company was enjoying based on its previous reality and experience.

The plant went into operation in September 1988, and the management set out to provide production requirements. With the help of the Bank of Sudan, it was able to provide at the official price all the sacks, rock blasting equipment, and spare parts the company needed for FY 1988-89 and FY 1989-90 at a cost of \$10 million.

The 'Atbarah Cement Company went into operation in 1959 with a maximum capacity of 100 tons a day, an output considered adequate at the time when added to lower-cost imports. The plant then embarked on stages of modernization with the addition of certain machinery and the introduction of modern machines and stone crushers, in addition to a number of trucks.

Ever since that date, October 1974, the plant continued to teeter between an average production of 53 percent and below average or no productivity in many cases. This is due to many reasons, including management, financing problems, lack of raw materials, and lack of machinery maintenance.

Here I would like to go into these obstacles in detail.

- Management: Notwithstanding the fact that the plant's management came on board in 1988, or 20 years ago when economic conditions were better than the present time in terms of available hard currencies, and that feasibility studies could have been prepared with the Yugoslavian countries that built the plant with a view to providing the plant with modern units and production and maintenance needs and requirements, they were satisfied with what they had and did not look to the future.
- Sacks: The company needed to buy its sacks from the Blue Nile Packaging Plant at double the price of imports. Nonetheless, its production faltered and it was unable to meet its obligations toward its [purchasing] agents.
- Blasting material (dynamite): This material is basic to the cement industry because it breaks up the rocks for extracting "kitlar" [as published]. This material has been out of supply since January 1987, thus putting the plant out of business. This is negligence on the part of management because it failed to pursue ways to finance this and other materials with the competent parties at the Ministry of Finance, the Bank of Sudan, and with the donor nations and the Arab Cement Federation in Damascus.
- Four out of five power generators are out of order, not counting the old station's generator and the new station's generator that burned out in 1983.
- The first and second crushers broke down and drilling machines became debilitated for lack of maintenance and spare parts.
- The 20 kilometer air conveyor broke down.
- Lack of heat bricks used for the furnace.

In short, in March 1988 work at the 'Atbarah Cement Plant came to a complete halt and all its machines were out of order. To be fair to the previous management, 92 percent of the machines were out of order at that date, and this situation persisted until October 1988. A quick look back at the plant during this year's production season shows the following:

- The quarry which was totally out of operation was put back to work. The first and second crushers have been fixed and all the necessary spare parts and explosives for production years 1988-89 and 1989-90 have been provided.
- A supply of sacks enough for three production years with 100 percent output has been received.
- The air conveyor has been repaired at the company's workshops and a number of buckets have been added to it, raising its productivity to 100 percent.

- Two new carriers have been purchased with money from the Italian loan.
- An agreement has been concluded with the Railroad Authority and the General Petroleum Corporation to ship petroleum material (furnace) from Port Sudan to the plant.
- All spare parts and accessories have been received to face the next production season with maximum capacity.

We will quickly acquaint the dear readers with the plant's accomplishments for production year 1988-89. The year started out shakily but, thanks to God and the determination of workers, engineers, and an able and effective management, the plant has reached a level of accomplishment which is a source of pride for both the public and private sectors. 'Atbarah celebrated a production day at the cement plant. And although the plant went into production 70 days after the 300-day production period because the machines were being repaired, its output amounted to 117,000 tons of cement which have been sold, thus exceeding the 108,000 ton target.

Coming to the company's financial performance, we find that last year the company was able to achieve the following from its own personal resources:

- Finance this year's and next season's production operations.
- Open letters of credit in the amount of over 10 million to bring in spare parts and production requirements.
- Local purchases for 4 million Sudanese pounds.
- Incentives, loans and wage differentials in the amount of 5 million pounds.
- Payment of 40 million pounds in production fees to the state treasury.

All these amounts of close to 80 million yielded 8 million pounds in net profit.

After presenting this economic study to the dear readers in our beloved country in the era of the National Salvation Revolution, I must, as an economic specialist, laud the efficiency of the plant's management. Although I did not have a chance to meet the managers in person, I am familiar with their performance and contributions, hence the responsibility I feel, as a citizen, to pay tribute to them.

## SYRIA

### Problems Surrounding Agricultural Production Discussed

44040534 AL-THAWRAH in Arabic 5 Aug 89 p 7

[Article by Nabil al-Milhim]

[Text] Talking about agriculture is still more important, at least so that we do not reach a stage in which we stand on one foot hoping to reach Mercury while our stomachs are empty. Talking about agriculture now means that

industry must be discussed, not because they are twins according to the standards of our time, but because they have become hostile twins, one devouring the other, if we reduce the questions of feasibility and go to sure answers. Thus we see ourselves immersed in poetics, that might rapidly disappear after we start to talk more calmly, as we have done in what follows:

#### The Agricultural Industries

The crops of industry: Such an address needs premises. The first premise requires that it be said that we in our regional position will be virtually tied to the world situation and the world market, because just as we produce we consume, and we do not produce everything that we consume, nor do we need everything that we produce. This means in blunt economic terms that agricultural industrialization enables our country to export processed agricultural products so as to provide an important national income. At the same time it is linked to the local market and affects in one way or another the level of agricultural production, and the yield and quality of farm activity, and in the final analysis the various directions development may take which have an impact upon the questions of both agriculture and industry. This talk has more than one concern and more than one introduction.

#### Primary Obstacles

An important group of factories has been established in our country for agricultural processing, most of which are based upon crops such as vegetables and fruit, and animal products on the one hand, and on cotton on the other hand. These industries have a role in creating a kind of balance between production and consumption, and this is the most prominent role of the problem. As for their other role, it is that the income from exports might be used to pay for the development process and meet consumption needs by importing other materials that we need that we do not produce nationally. Even though the industries that are based on and aim for what was mentioned above, are industries that have become semitraditional in our country, there are obstacles that still stand in their way, and the obstacles are in two areas.

In the first, we see the issue of agricultural planning, and in the second, we see the issue of planning and industrial potential. Let us take a look at the first area in the process of undoing the threads to retie them.

#### Indications

Even though the quantity of processed tomato paste for this year is up to around 800 tons so far, and the processing season is not over yet, the price of fresh tomatoes is still low this year on the whole, such that the farmer is not recovering the actual cost of producing them. Let us suppose that this premise is true, and it is true to a large extent, so what does that point to?

The first thing that this situation tells us is that the planning for this crop and this season is not in conformity with two things:

- The amount of local consumption of the fresh product.
- The actual capacity of our factories.

These factories have been operating at maximum capacity, and in spite of that this material has continued to be in excess of need to the point that it is sold at a price that is equal to or less than its actual cost. At the expense of what was this done? And what has inflicted such a situation on us?

Obviously, these tomatoes were produced from the land, and the areas which produced this surplus were planted to tomatoes instead of other crops, be they wheat or cotton, because the planning which takes into consideration the relationship of producing to the disposal of the product does not anticipate the problems of a surplus. Tomatoes have been our example; our other example, which is old and often cited to a great extent, is the example of growing beets to be processed into sugar. Previously a number of studies were made on all the sugar plants in our country, and these studies confirmed that the returns of manufacturing sugar were low compared to the actual cost of processing it. Some were inclined to import sugar instead of making it locally because the high cost was not proportional to the low return. So where does the problem lie?

#### Unfounded Figures

In a meeting between representatives of agriculture and representatives of industry, one might quickly get the impression that there is a big problem in our country called the "figure," for the figure to a great extent still plays a misleading role to the extent that it can confuse things so that planning goes against reason. If one of the directors of agriculture is asked, for example, about the arable areas in his region, his answer contains a margin of error between actual areas and imaginary ones.

If a representative of the Ministry of Industry is asked about the returns of a particular material, the aforementioned margin will emerge. We will take beets as our example, for it is repeatedly said in the farming plans that the average yield of one dunum of beets is 5 tons, while it is 3 tons. Industry plans say that the average level of sweetness in the beets is from 16 to 18 percent, whereas the real rate does not exceed 14 percent. The difference between the previous numbers, slight though it may seem, could turn a successful plan into a failed plan, and it might have a great impact on returns, the farmer, and the factory all at the same time.

This is one aspect of the question; the other is that even if we plan to plant a specific number of hectares to a specific crop, to what extent could we apply what we plan?

We face another problem, which is that the farmer has an opinion on the subject. This opinion might arise from circumstances which are partly objective and related to the extent to which the state supplies the production requirements for the things it has planned for; and partly subjective and related to direct individual interest, or what which he believes is that. This subject, for which many parties are responsible, will be most prominent in the industrial sector because things relating to planning and yield can be more certain in it. Let us take a look at some of the problems of this situation.

#### **From the Current Season**

There are circumstances that hamper agricultural industries. The first of these circumstances are the technical obstacles in the low efficiency of manufacturing resulting from the age of the machinery, its low productive capacity, and the lack of sufficient spare parts. As an example, we will again use the problem of tomatoes which appeared this year, because the machinery, operating at maximum capacity, was able to absorb only a small portion of the total production of this substance. We believe that the same situation will occur if there is an abundance of peas, apricots, or other agricultural products.

#### **Moreover**

This is the first problem. The second one is the economic restraints, embodied in the rising cost of processing which are due to a number of factors, including the rising cost of transport. This can be seen in the shipping of tomatoes, for example, from al-Ladhiqiyah to the al-Muzayrib cannery, or of olives from Idlib to al-Mayadin. Other factors continue to confirm the link between agricultural planning and industrial planning. The example which confirms what we mean is that the total yields of milk and onions, which are primary materials for processing, are not enough to operate more than 50 percent of the actual capacity of the plants for this kind of industry. Consequently:

On the one hand there is a large surplus of one substance such that the production capacity of a plant cannot handle it, and only a small portion of the product is absorbed; on the other hand there occurs a large drop in the productivity of another substance such that some plants cease operations and do not operate at more than 50 percent of the actual capacity of their machinery.

#### **Final Products**

We see all the previous problems only in two operations, namely the production of industrial crops and the processing thereof. However, these problems are a link in a chain of problems, because subsequent ones will be the end result. These include problems of canning and of export, administrative problems, and problems with the farmers. The previous problems, in short, lead to something else, namely the main problem overall. This problem is the basic idea related to the functions of the food industries sector, namely that its function is to

absorb and process surplus food products, which is why the industry receives the surplus from agriculture.

However, the process has another aspect, specifically agricultural industrial planning. So far that is still the nonidentical twin, such that we are faced with authorities for agricultural planning and others for industrial planning. Bringing them together would be the neighborly thing to do. It would be best in this case if there were a supreme, unified authority, with unified initiatives, that would do this work, because it is no longer strictly a question of agriculture alone or industry alone. We stand between what is agriculture and industry in our country. Shortening the distance between them would cause tomatoes to be produced in the amounts needed, allow us to bring back the glory to the growing of wheat, and let us give cotton the prestige that it lost due to shortcomings in planning, in addition to factors which we will mention below.

#### **New Projects**

All that has preceded appear to be theories, and they are in fact just that, but we will try to present more evidence. We have learned that there is a project for cheeses and dairy products, and that this project will be established in the al-Ghab region. We viewed the matter from the following perspective:

It is region in which there are large numbers of cattle, and in which there are traditions of raising this kind of animal. The milk that will be produced will be a primary product suitable for local processing, whose costs compared to its returns in the natural state are excellent...is it all right if these obvious facts do not inspire us to list yet more?

The dairy plant needs cattle farms, cattle farms need pasture and feed, and feed needs to be imported or to be manufactured locally. And what does all of this need?

It needs both the cart and the horse; in other words, it needs joint planning between the two sides, otherwise we will once again have the problems we had with sugar and tobacco, and other such problems. Once again we will theorize, and this review will confirm that more than ever before we need to expand the agricultural industrial sector, and that this expansion will need wise, joint planning between the two sides, industry and agriculture. It is realized that there are vast arable lands which belong to the state, and that most of these lands are not being utilized. Finding a way to utilize these lands could assist the Ministry of Agriculture in formulating precise plans for farming connected to industry, and would ensure that the industrial sector is provided with the primary materials that it now lacks. In the area of dairy production, for example, there should be state farms in addition to the dairy plants. With respect to cotton, the situation is similar. We will take a look at a third problem that might be the most important in determining whether the plan will be a success or a failure.

### The Farmer Also Has an Opinion

The third problem involves the relationship of the farmer to both sides, for the farmer who looks forward to his harvest throughout the year needs a number of things more than anything else, including:

- On the one hand, he needs to be provided with what is needed for this kind of crop, such as seeds, pesticides, and machinery, and that is the task of agriculture.
- He needs his produce to be immediately received by the factories and companies, and to be paid in part for the produce as soon as it is delivered.

If the farmer is asked to carry out the agricultural plan, and has to plant a particular kind of crop, then finds that he has to go to the black market to get seeds, fertilizers, medicines, and machinery, he will definitely turn his back on the plans, and he will look for crops which do not have high costs. If the farmer finds himself begging at the doors of the companies when he delivers his crops, he will resort to selling in the regular market, or he will stop growing that kind of crop, and he would be justified in both cases. Thus the plan will remain an illusion, and the figures will remain only a delusion. This applies to other food industries as much as it does to the industrial crops, whether they be the primary material beets full of sugar, or cows overflowing with milk. Returning to what we began to say: This is so that agriculture and industry will not continue to be discordant twins, and so that the plan of the former will not travel over the surface of Mercury and the latter over the surface of Mars, and so that the citizens will not be deprived of "enjoying" a cow that gives milk and a piece of cheese to go with a cup of tea. In order for all that to be so, perhaps we will see a joint, unified authority planning for both sides, and planning facts not figures, as is the case now.

## TUNISIA

### Agriculture Ministry Appoints Regional Commissioners

45190140a Tunis LE TEMPS in French 2 Sep 89 p 2

[Article: "Ministry of Agriculture: Regrouping of Regional Services and Creation of New CRDAs [Agricultural Development Regional Commissions]" ]

[Text] Following the first stage of the reorganization of the Ministry of Agriculture, announced on 30 June 1989 and concerning the governorates of Gafsa, Guebili, Kairouan, and Kef, the Ministry of Agriculture announced the creation of new CRDAs in the following governorates: Ariana, Ben Arous, Nabeul, Zaghouan, Bizerte, Beja, Jendouba, Siliana, Sousse, Monastir, Mahdia, Sfax, Kairouan, Sidi Bouzid, Gafsa, Medenine, Tataouine, Tozeur.

The new CRDAs are created under the provisions of Law No. 44 of 8 March 1989.

The new structure includes all services: those coming under the former regional commissions, under the Irrigated Areas Development Offices, and under the Development offices operating in these governorates.

As a result, the responsibilities, activities and resources of these offices are transferred as follows:

- Medjerda Valley Development Office: transferred to the CRDAs of Ariana, Ben Arous, Bizerte, Beja and Zaghouan; note that this transfer does not cover the management of national agricultural lands, which is the responsibility of the National Land Office;
- Nebhana Development Office: transferred to the CRDAs of Sousse, Monastir, Kairouan, and Sfax;
- Central Tunisia Development Office: transferred to the CRDAs of Kasserine, Gafsa, and Siliana;
- Gabes-Medenine Irrigated Areas Development Office: transferred to the CRDAs of Gabes, Medenine, Tataouine, and Guebili;
- Gafsa-Jerid Irrigated Areas Development Office: transferred to the CRDAs of Gafsa and Tozeur;
- Jendouba, Lakhmes, Nabeul, Souassi, and Sidi Bouzid Irrigated Areas Development Offices: transferred respectively to the CRDAs of Jendouba, Siliana, Nabeul, Mahdia and Sidi Bouzid.

In this connection, we should recall that the responsibilities of the Kef and Kairouan Development Offices have already been transferred respectively to the Kef and Kairouan CRDAs.

The new organization essentially aims to create in each governorate a unified structure applying the same management methods as the former offices, to bring services closer to the farmers, to improve the efficiency of the services, and to simplify their working methods.

Each CRDA has been set up as a public institution, a financially independent legal entity endowed with all the human and material resources available to the former services and structures in the region; it will enjoy all the prerogatives of public authority and will implement agricultural policy at the regional level.

The new organization takes into consideration the specific agricultural characteristics of each governorate and the necessity for large projects to retain their specific integrated form within the new CRDA, as is the case for the development programs of the Souassi, Kef, Sidi Bouzid, and Kasserine areas.

In addition, the Ministry of Agriculture announced the appointment of new agricultural development regional commissioners having the rank of general directors.

These are Messrs:

- Abdelkader Hamdane, Ariana;
- Mansour Bouraoui, Ben Arous;
- Taoufik Aounallah, Nabeul;
- Brahim Laamari, Zaghouan;
- Habib Emiss, Bizerte;
- Mohamed Salah Hamzaoui, Beja;

- Abdelhafidh Jabeur, Jendouba;
- Taieb Gargouri, Siliana;
- Abdelhamid El Ghali, Sousse;
- Salah D'hiffallah, Monastir;
- Habib Jerbi, Mahdia;
- Mohamed Rahmani, Sfax;
- Abdelkader Amira, Sidi Bouzid;
- Abdellatif Kaabachi, Gabes;
- Frej Gheribi, Medenine;
- Taieb Mansour, Tataouine;
- Ali Boudabous, Tozeur;
- Ahmed Ridha Fekih, Kasserine.

As is known, the regional commissioners for Gafsa, Kebili, Kairouan, Kef, and Tunis have already been appointed.

They are Messrs:

- Hamdene Rahoui, Gafsa;
- Ferjani Oun Mekrazi, Guebili;
- Ali Brahem, Kairouan;
- Said Khlij, Kef;
- Neji Chkir, Tunis.

#### **Government Reportedly Freezes Rents for 1990**

45190140b Tunis *LE TEMPS* in French 2 Sep 89 p 3

[Text] Rents will probably not increase this year. The government is said to have decided to freeze rents for one year starting in January 1990 in order to try and somewhat slow down the increases observed recently in this sensitive sector. After a few years of relative freedom, the government, attempting to thwart the unexpected rent increases observed recently, is said to contemplate showing more firmness next year through an outright rent freeze, as rents have suddenly risen in unacceptable proportions, especially for low- and medium-income households that have become unable to cope practicably with these rent increases.

The freeze, it is believed, will affect older housing and apartments. However, new buildings would not be affected by the government's decision and any restrictions that might be imposed would, therefore, not apply to them. Construction of new housing should be encouraged and due consideration given to the high cost of materials. We should also mention that the restrictions contemplated would become effective only on 1 January 1990 and for at most 1 year.

#### **Serious Unexpected Increases**

The past 10 years have seen a breathtaking rise in rents, estimated at over 100 percent. In some residential districts, the average rent is 200 dinars for a 3-room apartment. Rent increases vary in working-class districts, with an average of 120 dinars for a 3-room apartment, 90 dinar for a 2-room apartment and 70 dinars for a mere studio.

These rent increases, according to some real-estate professionals, are to a large extent the result of an increase in

building material prices and land development and building site costs, the direct consequence of which has been to inflate rents. Yet, due to the buildings completed, the housing shortage has been checked, but rents remain high compared with the average Tunisian's income. Rents may represent up to 50 percent, or even more, of wages. This means that there is a discrepancy between what the Tunisian worker can afford and the actual cost of housing. Although the restrictions contemplated will satisfy tenants, they will also impose limitations on landlords, who demand the removal of all rent restrictions.

No decision has yet been made, but the question could be considered in the next few weeks at government level, either to maintain rents at the current levels or to remove restrictions.

#### **Affordable Housing Project Faces Profit Margin Factor**

45190140d Tunis *LA PRESSE DE TUNISIE*  
in French 31 Aug 89 p 7

[Article signed S.B.S.: "Housing: The SPROLS [Low-cost Housing Development Company] Goes on Building"]

[Text] Soon, 533 new housing units in Ben Arous, Hammam-Lif, and Nouvelle Medina. Before it begins to build 533 housing units in two-family houses, at 15,000 dinars per unit, the SPROLS intend to collect the observations and suggestions of its prospective clients on plans, cost, housing type, and locations, through the organizations that represent them.

The SPROLS plans to be innovative in housing construction, based on the needs and desires of its prospective clients. Thus, it has given a copy of its housing program to organizations like UGTT [Tunisian General Federation of Labor], so the latter can study it and present observations and suggestions.

#### **Concentration in the Southern Suburbs**

For instance, the program considered by SPROLS would involve building in the Yasminet (Ben Arous), Hammam-Lif, and Nouvelle Medina areas. According to SPROLS forecasts, there would be 83 housing units in Yasminet, 208 in Hammam-Lif, and 242 in Nouvelle Medina.

Each unit would cost 15,000 dinars. These units would be of the type that Tunisians seem to like most: individual units, often in two-family houses, with the possibility of building a second story. The SPROLS has, in fact, decided to provide a functional ground floor including living room, kitchen, and one or two bedrooms. The plans already provide for a possible extension, so that the buyers could add a second level to their homes. This prospect, we believe, is very attractive, as it reflects the taste of the Tunisians for building constantly and investing most of their savings in stone. The developers have also taken advantage of this preference and

they tend to offer homes that can be extended; this also has the advantage of lowering construction costs. The SPROLS now intends to take advantage of this taste through another added benefit: the interested parties themselves will be involved from the start. It plans to receive advice and suggestions on the cost, type, and location of the homes. This is not a purely formal approach, as the SPROLS also intends to take the interested parties' observations and suggestions into account before submitting its final application for the financing of the program to the Housing Bank. This approach also has the merit, we believe, of considering profitability. A home that reflects the needs and preferences of the people for which it is intended will find greater acceptance and, therefore, sell better. Currently, and with the problem of completed housing units that do not sell for multiple reasons—essentially the sharp slowdown of consumption—it is more advisable, for both the developer and the financing institution, to go about it that way.

#### High Cost

On the basis of the first observations made by the interested parties, it would appear that the cost is judged a bit high for buildings of this type. Therefore, some believe that the SPROLS should decentralize its activities and reach more distant areas. Under these conditions, however, profitability becomes a problem. Should the SPROLS take social factors into account or should it aim at profitability? The answer, we believe, should take both aspects into account, especially since the SPROLS, financed by the CNSS [National Committee for Social Solidarity], was initially created to build housing for low-income families. Profitability is certainly essential to ensure the viability of the undertaking itself, but when it becomes possible to reconcile both aspects without undue preponderance of either, the best would be to do just that.

#### Citizens Urged To Conserve Water

45190134b Tunis LE TEMPS in French 21 Aug 89 p 4

[Article by Noureddine Hlaoui: "What Has Been Done To Get Ready for the Agricultural Campaign?"]

[Text] The Tunisian economy is going through a difficult period for a number of reasons, two of which are out of our control. First of all, there is the difficult international economic situation; second, and even more importantly, the severe drought that has ravaged our provinces for 2 years in a row, causing serious losses in agricultural production.

It is easy to understand the immensity of the problems this has caused for everyone at every level, given that agriculture is the mainstay and keystone of the economy. In a word, the country's number-one problem is a water shortage.

After two seasons in a row without sufficient water, there is ample reason for alarm. Last season in Europe

(France, Spain, Italy, England...) there was an altogether minor drought. The result: a general commotion and frantic calls for measures to be taken and plans to be drawn up to prepare for any eventuality.

#### Minor Emergency and Great Commotion

For these countries, accustomed as they are to agricultural surpluses, it took only a small shortfall lasting but a single season to galvanize people into action. In London, they went so far as to ration water! All this is only to point out that the drought we have suffered in our own country is no small matter. But what steps have been taken to deal with it—or with the grim possibility that the drought will continue for another year?

It must be admitted that so far the authorities concerned have done everything possible to shield the public from the baneful consequences of this drought, since all markets are still provisioned normally, at least for the time being. As for the longer term, it has been suggested that a new water policy is needed—a rational policy based on thorough analysis of the country's hydraulic resources, especially dams.

A public education campaign has been carried out through the various audiovisual and written media urging people not to waste water. But has that campaign achieved its objectives? It is difficult to be sure, considering how little civic spirit some of our fellow countrymen have.

#### A General Effort

So what needs to be done to ensure the success of the agricultural season that is even now upon us? Growers are saying the ground is too dry. One of them claims, with some exaggeration to be sure, that "it would take 25 millimeters per day for an entire month to overcome the shortage of rainfall so far." But his comment is eloquent testimony to the growers' impatience—and their thirst for water.

Another grower says fatalistically: "If it doesn't rain enough this year, that is from September on, the situation is going to be very serious..." In other words, a mood of anxiety has overcome the sense of optimism that has usually prevailed in the past.

"But even so, one must point out that all necessary provisions have been made in every region to make the campaign successful," says one official in the Ministry of Agriculture. "The seed has been collected, orders have been given to the growers to prepare, arrangements for bank credits have been announced. In short," he adds, "we are trying to bring together all the elements necessary to maximize the chances of success..."

It is still too early to predict rainfall levels for the months to come. What can be done is to make a general effort to economize on water consumption instead of wasting what is in the reservoirs, so that as much acreage as

possible is irrigated, thus reducing to the greatest possible extent our dependence on precipitation.

We should also authorize the maximum production possible in the irrigated zones, in order to offset possible shortfalls in those areas dependent on rainfall.

A united effort is needed, and sacrifices will be required of all our citizens without exception. Our economic future is at stake, and the country must be free to pursue the other goals on its agenda.

### **Increased Flexibility in Banking Sector Urged**

*45190134a Tunis LE TEMPS in French 21 Aug 89 p 4*

[Article: "Have the Banks Let us Down?"]

[Text] Tunisia's banking system has become more than ever the focal point of the national economy. The liberal orientation of that economy has given banking a preponderant position and a role of prime importance. The banking system is the strongest instrument we have to encourage the investment and savings on which a generation of new jobs depends. From that perspective one must admit that the country does have a banking and financial structure capable of inspiring the vitality our economic recovery requires.

But does the institution's commitment measure up to the ambitious scope of the country's development plans? Modalities of operation in the financial world are so complex that it is difficult to answer with complete objectivity. But one fact immediately commands our attention: Tunisia's cautious and vacillating banks often back away from involvement when the novelty of a project or the audacity of its promoters would shake up the business world. Result: the banks continue to carry on their traditional activities in the traditional way, and, therefore, exclude an increasingly large number of young entrepreneurs. In addition, the banks require excessive collateral of their clients, and impose other conditions some describe as draconian. Here it is quite evident that the bank has a legitimate right to protect itself by means of all needful juridical and administrative guarantees, but the attitude it consistently takes toward some entrepreneurs, who have nothing but the pertinence and force of their ideas, above all serves to dramatize a very serious situation, which has a corrosive effect on Tunisian society in general and the business world in particular: the crisis of confidence. This lack of confidence sometimes assumes proportions so excessive as to border on the bizarre or absurd.

### **No Credit!**

Here is a young textile manufacturer, a client of the bank for 13 years, reliable, credible, solvent, and, moreover, a real performer. His company has had excellent growth, with assets increasing from 90,000 up to 500,000 dinars. This young businessman applied for credit from his bank to introduce a new clothing line for the start of the school

year. The initial response he got was noncommittal, and eventually his application ran up against a wall of stony silence...

Another promoter full of original ideas—a specialist in electrical equipment, as well as a seasoned judge of Tunisian and Arab markets—wanted to double his turnover by offering new products on the Tunisian and eventually foreign markets, but the bank gave him the same treatment.

Why? The assets at his disposal do not have as much mortgage value as the bank demands. These two manufacturers are condemned for years to come, perhaps forever, to languish in the confines of narrowed opportunities.

Worse yet, in a rapidly changing market that is tough on small and medium-sized businesses, they will find it increasingly difficult to maintain and defend the markets they already have.

This fact leads us to inquire after the reasons behind such behavior on the part of the banks. According to Afif, the head of a privately owned company, "in some cases Tunisian banks still conceive their role in terms borrowed from the administrative traditions of our government, with all the sluggishness and useless red tape that implies."

### **Show More Proof of Commitment**

According to Salem, a merchant, "the bank in our country is only generous in providing services to those who are already rich and well-off, which is a handicap not only for middle-income clients but also for the Tunisian economy as a whole. This is doubly regrettable because intelligent ideas—and there are quite a few of them in Tunisia—deserve to be encouraged, so they can benefit the entire national community." All these comments show that the banks in Tunisia, while taking pains to turn a profit (quite legitimately, one must add), continue to operate in an aloof, cautious way. It is a far cry from the aggressive and dynamic policy one finds in foreign banks that actually go out after clients instead of waiting for them. As one Tunisian executive told me, "a bank should not function simply as a warehouse for money; above all it should be a place where ideas are born and projects designed."

Moreover, can a bank's future and performance be really secure if all around it the economy remains fragile and never gets up a full head of steam?

It would thus be in the banks' own best interests to show more commitment, aggressiveness, and dynamism, for the biggest risk of all is to leave rich and solid financial institutions in an economically weak environment. Imbalance always leads to crisis.

### Students Flock to Local Universities

45190134c Tunis LE TEMPS in French 21 Aug 89 p 5

[Article by Noureddine Hlaoui: "What Do Students Think About Attending Local Universities?"]

[Text] University life this year will be somewhat different from in the past, because a great many students will continue to live at home. In fact, during orientation authorities assigned as many students as they could to campuses in their own region. This was made possible by the decentralization policy the government has adopted in every domain, including higher education, where efforts are being made to strengthen and expand the national network of universities and institutions of higher learning at the regional level.

The new policy has many advantages for everyone, especially from the material point of view. The student does not have to make the tiresome commute from another city or region and is, therefore, spared the extra expense. The policy also reduces overcrowding at the student unions.

### Lower Costs

For the authorities there are definite advantages, such as reduced expenditures for student lodgings and university services. In addition, according to studies and surveys made by the agencies concerned, it has been shown that the majority of students prefer to pursue their higher education in their own region.

And since the system of primary and secondary schools now covers even the most remote regions of the country, young Tunisians will soon be able to complete their entire education, from primary through university level, in their own region.

Nevertheless, the new situation, though financially quite beneficial, may carry certain risks, including that of isolating young people in the confines of their own regions, especially since after graduation they may very well be given jobs in the area.

The Ministry of Education, Higher Education and Scientific Research announced recently it is planning to take appropriate measures to remedy the situation. Specifically, it plans to expand collaboration and exchanges between students and professors in Tunisia's various universities, in order to give university students the opportunity of becoming acquainted with other areas, other lifestyles and other models of education and training.

### Some Reservations

But what do the students think about the new situation?

Although most seem pleased with it, a few have reservations. Let us note from the start that everyone we asked

was in agreement concerning the material advantages of the new policy. But opinions differ as to the psychological and social impact.

Mustapha B., who has just received his secondary education certificate, says, for example, that he is not very keen on staying in his region, because by going further away he would feel more responsible for his destiny and enjoy greater freedom from family pressures. "When you are 20 years old," he adds, "you like to live the way you choose, without any constraints..."

Another student, Bechir M., raises a different point, saying that by studying far from home he could have more contact and fellowship with his friends and colleagues, thus inspiring him to work harder. When you stay at home, "he argues, "you feel you are still in high school..."

A third student says that when you enter university you have the right to begin a new life, and when you leave home you have the opportunity to see other regions, meet other people, and, in short, broaden your horizons.

These comments notwithstanding, the majority of our young people are in favor of this new policy, which has more advantages than disadvantages. The important thing is to look on the bright side.

## UNITED ARAB EMIRATES

### Dubayy Records Rise in Nonoil Trade

44000633 Dubayy GULF NEWS  
in English 11 Aug 89 p 9

[Article by Eudore R. Chand]

[Text] Dubayy's total non-oil trade rose by nearly 13.51 percent during April against the same month in 1988. It has gone up from Dh 2,620.09 million recorded during April in 1988 to Dh 2,974.31 million during April in the current year.

Both the imports and exports have recorded substantial rises during April 1989 over the same period of 1988. Imports have gone up substantially by 21.38 percent from Dh 1,885.41 million during April 1988 to Dh 2,288.04 million in the same month of the current year.

Exports have shown a dramatic increase of about 50 percent from Dh 121.56 million in April of last year to Dh 183.11 million in the same month of 1989.

However, re-exports during the comparative months have fallen sizably by nearly 17.94 percent from Dh 613.12 million in April 1988 to Dh 503.15 million in the same month of the current year.

For the first four month period of the current year as compared to the same period of 1988, Dubayy's total non-oil trade has recorded a sharp increase of Dh 2,151.58 million or 22.87 percent from Dh 9,410.65

million during January to April 1988 to Dh 11,562.21 million for the same period of the current year.

Imports, too, show an increase of about 23.29 percent from Dh 7118 million to Dh 8,775.98 million in the comparable first four month periods of 1988 and 1989.

The rise in exports in the same comparable period recorded an even more impressive rise of 36.23 percent from Dh 493.68 million to Dh 673.39 million.

Even the re-exports have revealed a sizable rise of nearly 17.45 percent from Dh 1,798.97 million to Dh 2,112.84 million in the comparative first four month periods of 1988 and 1989. Dubayy's total non-oil trade for the comparable first four month period has steadily been growing since 1987. It increased from Dh 8,351.14 million in the first four months of 1987 to Dh 9,410.63 in the same period of 1988, and to Dh 11,562.21 million for the same period of the current year.

For the first four months of 1987, 1988 and 1989, imports have steadily been growing from Dh 6,041.53 million to Dh 7118 million and to Dh 8,775.98 million respectively.

For the same periods of 1987, 1988 and 1989, exports have increased from Dh 408.49 million to Dh 493.66 million and to Dh 673.39 million respectively.

#### **Garment Makers Switch to Production of Nonquota Items**

44000662 Dubayy *GULF NEWS* in English  
15 Aug 89 p 9

[Article by Eudore R Chand]

[Text] Several garment manufacturing units in the UAE [United Arab Emirates] are switching over production lines from U.S. quota items to nonquota items in the wake of the implementation of the visa quota system for textiles imports by the U.S. from the UAE.

U.S. officials were in the UAE recently to study the production methods of garment manufacturing factories and units, sources say.

However, opinion is divided regarding the functioning of the visa quota system. Some manufacturers believe that it is functioning very well and that it is an effective step to ensure manufacture and export of quality products. Those in favour of the visa system are generally the larger firms.

Smaller firms are not so sure that the implementation of the visa system has come as a blessing for them. Due to the strict regulations and controls imposed by the system, and the filling up of the quota in a very short period, they find it necessary to change over to nonquota items.

Some firms are even trying to find ways to beat the visa system by re-routing their exports to the U.S. through neighbouring countries, it is said.

The visa system came into effect on 15 January this year after negotiations between the UAE and the U.S. governments. Under the new system, U.S. authorities brought the entire category of textiles articles of cotton, wool, manmade fibres, silk blends and other vegetable fibres within the purview of the system.

There are five broad categories that require a UAE government Visa for export to the U.S. These are 200-239, 300-369, 400-469, 600-670, and 800-899, including part and merged categories.

In June 1988, the U.S. had imposed a unilateral quota on UAE exports of textiles. It had identified four merged categories for import restrictions.

During 1987, U.S. imports of textiles from the UAE were less than even 0.25 percent of U.S. total imports of textiles from all over the world. Even then, the U.S. felt the need to impose quota restriction on the UAE, some manufacturers pointed out.

## INDIA

### Vajpayee Alleges Doordarshan Censorship 46240056 New Delhi DINMAN in Hindi 15 Jul 89 p 67

[Article by Deep: "Atal Bihari Vajpayee on Moga: Doordarshan Censored My Statement"]

[Text] The day the news of the massacre at Moga appeared in the newspapers, I called the home minister, Mr Buta Singh, and asked him about visiting Moga. The complete information had not yet reached him, and he was still engaged in collecting information. He said: "I will call you later and let you know". Later, the home minister said that the state government had advised him not to visit Moga on that day (25 June) and instead wait a day. It was reported that a curfew had been imposed, and the authorities were searching for the killers. He said: "If I go there, the state government will have to make arrangements for my security, and the search for the killers will be delayed." I told him that if he wants to visit Moga he should do it immediately. The killings were made as part of a well planned conspiracy for the definite purpose of provoking a reaction in the entire country by killing a large number of people at a Jana Sangh gathering. The reaction could develop into antisikh sentiment, and the success we have had so far in establishing amity will be impaired. Therefore, you must go to Moga, and if you wish I am ready to accompany you. Peace must be maintained in Moga, and communal riots should not take place. The people of Moga should declare that they will face this challenge from the terrorists, and that they will not allow the amity to be destroyed by giving in to terrorism. What we saw in Moga was heartbreaking. The suspicion that the killing was preplanned was confirmed by the discovery of two time bombs planted at the location. If the killers had not succeeded with their AK-47's, a large number of people would have been killed later while sitting or strolling in the park.

A serious fact that has not been emphasized is the presence of a CRPF [Central Reserve Police Force] post less than 15 feet across the street from Nehru Park, the scene of the killings. The post is situated on high ground so that the events in the city can be monitored. The people of Moga complained that the CRPF post did not react to the terrorists. The CRPF commander stated that the post fired sixty rounds. Since the place where the killings took place appeared to be out of range of these bullets, it is not sure where the rounds were fired. The peoples faith in the CRPF has been shaken since this event. I was surprised that the people were blaming the Punjab police for inaction. I asked them why they were blaming the Punjab police and not the CRPF, which had a post near the scene of the crime and whose men did not

intervene and face the terrorists. The people responded by saying that the CRPF has no authority to open fire and therefore is helpless. The CRPF commander, who was also present, stated that bullets were fired by the post but the terrorists escaped.

We went to the crematorium grounds from Nehru Park. Corpses were being carried in one after the other, and a large crowd was present. Some people reacted to the sight of government vehicles by shouting slogans against the Punjab police. Mr Buta Singh did not get down there, but I did. Nobody stopped me, and I went inside the crematorium grounds. The families of the victims were present in large numbers. It was a tragic scene with thirteen piers burning at the same time. The families were crying. Dr Baldev Prakash had already arrived. We gathered everyone in one place and paid our respects to the departed souls. Dr Baldev Prakash and I addressed the gathering and said that this sacrifice will not be in vain, we must maintain communal peace and harmony at all cost. In the meantime, some individuals who had been shouting slogans against the police at the gate came inside. One of them stood up and asked how long will we continue to talk of peace while these killings continue? The assembled people did not like his interference and pushed him aside, saying that they would like to listen to their leaders. Mr K.P.S. Gill, the Punjab inspector general of police, arrived. I appreciate his courage in entering that potentially hostile crowd without any hesitation at all. He made his way through the crowd towards me. He talked to the bereaved families, and then he escorted me to the circuit house for a meeting with the local residents. Published reports stating that the protestors did not allow me to enter the crematorium grounds are untrue. I believe, if Mr Buta Singh had decided to visit with the mourners, it would have segregated the protestors, and the assembled people would have listened to him.

Mr Buta Singh advised me that a curfew had been imposed, but when we reached Moga, curfew orders were not in force. The officers told us that a curfew had initially been imposed, but later it was withdrawn since there was no tension in the city. When we reached the circuit house, the state governor had arrived. I advised Mr Buta Singh and Governor Siddarth Shankar Ray not to invite me to make a statement on television, because I anticipated that it might not be televised and they would be in a quandry. Both of them said this would not happen. I expressed my grief, and stated that the government's claim that terrorism has been fully controlled is unsubstantiated. I also stated that the pressure on terrorists has increased and, in desperation, they wanted to create a big incident, and this was such an incident. Later, I heard that only this part of the statement had been telecast and the rest was discarded. Thus, television authorities have proven that allegations made by the opposition parties are true.

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**31 Oct. 1989**